

**HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING
JANUARY 22, 2014
APPLICATION SUMMARY**

NAME OF PROJECT: Woodridge of West Tennessee

PROJECT NUMBER: CN1308-035

ADDRESS: 49 Old Hickory Blvd
Jackson (Madison County), TN 38305

LEGAL OWNER: Woodridge of West Tennessee, LLC
162 Cude Lane
Madison (Davidson County), TN 37115

OPERATING ENTITY: Ameris Acquisitions, LLC
1114 17th Avenue South #205
Nashville (Davidson County), TN 37212

CONTACT PERSON: Robert Bauer
(615-327-0440)

DATE FILED: September 13, 2013

PROJECT COST: \$1,158,737.00

FINANCING: Cash Reserves

REASON FOR FILING: Establishment of a new sixteen (16) bed geriatric
mental health hospital and initiation of inpatient
psychiatric services

DESCRIPTION:

Woodridge of West Tennessee, LLC (WWT) is seeking approval for the establishment of a new sixteen (16) bed geriatric hospital and initiation of psychiatric services. The proposed facility will involve renovation of a 7,000 square feet wing on the 1st floor of a 109,549 square foot building that formerly housed a general hospital. The proposed mental health hospital will consist of fourteen (14) semi-private beds and two (2) private beds that will serve patients 65 years and older. The proposed program will accept voluntary and/or

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involuntary admissions. If approved, the applicant plans to contract with Ameris Acquisitions, LLC to provide development and management services to the proposed geriatric psychiatric unit.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW:

Psychiatric Inpatient Services

A. Need

1. The population-based estimate of the total need for psychiatric inpatient services is 30 beds per 100,000 general population (using population estimates prepared by the Department of Health and applying the data in Joint Annual Reports).

Using the population estimates prepared by the Department of Health, the Guidelines for Growth Bed Need Formula calculate the following total bed need for inpatient psychiatric services:

2014 Population:

Total 346,199 X 30 beds/100,000 = 104 Beds

2018 Population:

Total 350,523 X 30 beds/100,000 = 105.2 Beds

2. For adult programs, the age group of 18 years and older should be used in calculating the estimated total number of beds needed.

2014 Population:

Age 18+ 266,661 X 30 beds/100,000 = 80.0 Beds

Age 65+ 56,904 X 30 beds/100,000 = 17.1 Beds

2018 Population:

Age 18+ 271,626 X 30 beds/100,000 = 81.5 Beds

Age 65+ 61,540 X 30 beds/100,000 = 18.5 Beds

3. For child inpatient under age 13, and if adolescent program the age group of 13-17 should be used.

This criterion does not apply to this application.

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4. These estimates for total need should be adjusted by the existent staffed beds operating in the area as counted by the Department of Health in the Joint Annual Report.

There are 212 licensed beds and no approved but unimplemented beds operating in the service area. There are no units specifically for Geriatric patients, leaving calculated Net Bed Needs (depending on the population groups) of:

2014 Population:

	Gross Bed <u>Need</u>	minus	Existing and CON <u>Approved Beds</u>	=	Net Bed <u>Need</u>
Total	104 beds		212 beds		-108 beds
Age 18+	80 beds		212 beds		-132 beds
Age 65+	17.1 beds		0 beds		+17.1 beds

2018 Population:

Total	105.2 beds		212 beds		-106.8 beds
Age 18+	81.5 beds		175 beds		-130.5 beds
Age 65+	18.5 beds		0 beds		+18.5 beds

It would appear the application meets this criterion.

B. Service Area

1. The geographic service area should be reasonable and based on an optimal balance between population density and service proximity or the Community Service Agency.

The geographic area includes Madison County and the nine (9) surrounding counties where the proposed project will be located.

It would appear the application meets this criterion.

2. The relationship of the socio-demographics of the service area, and the projected population to receive services, should be considered. The proposal's sensitivity to and responsiveness to the special needs of the service area should be considered including accessibility to consumers, particularly women, racial and ethnic minorities, low income groups, and those needing services involuntarily.

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The applicant intends to focus on the psychiatric and medical needs of patients age 65+ and will accept involuntary admissions of geriatric psychiatric patients.

It would appear the application meets this criterion.

C. Relationship to Existing Applicable Plans

1. The proposal's relationship to policy as formulated in state, city, county, and/or regional plans and other documents should be a significant consideration.

There are no identified state, city, county or regional planning documents.

This criterion does not apply to this application.

2. The proposal's relationship to underserved geographic areas and underserved population groups as identified in state, city, county and/or regional plans and other documents should be a significant consideration.

There are no identified state, city, county or regional plans that require consideration.

This criterion does not apply to this application.

3. The impact of the proposal on similar services supported by state appropriations should be assessed and considered.

There are 2 inpatient adult psychiatric hospitals with 212 licensed beds in the proposed service area: Western Mental Health Institute (187 beds) located in Hardeman County and Pathways of Tennessee (25 beds) located in Madison County. In 2012, Western Mental Health Institute provided 41,617 days of care with age 65 and over patient days representing 3.4% or 1,412 days. Pathways of Tennessee provided 2,846 days of care with age 65 and over patient days representing 2.2% or 63 days. There were no changes in the percentage of age 65 and over patient days for both facilities from 2011 to 2012.

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It would appear the application meets this criterion.

4. The proposal's relationship to whether or not the facility takes voluntary and/or involuntary admissions, and whether the facility serves acute and/or long-term patients, should be assessed and considered.

The applicant will accept involuntary admissions of geriatric psychiatric patients.

It would appear the application meets this criterion.

5. The degree of projected financial participation in the Medicare and TennCare programs should be considered.

The applicant plans to participate in Medicare. The applicant anticipates that all patients will be Age 65+ and covered under Medicare. The applicant sees no need to participate in the TennCare program.

It would appear the application meets this criterion.

D. Relationship to Existing Similar Services in the Area

1. The area's trends in occupancy and utilization of similar services should be considered.

There are 2 inpatient adult psychiatric hospitals with 212 licensed beds in the proposed service area: Western Mental Health Institute (150 beds) located in Hardeman County and Pathways of Tennessee (25 beds) located in Madison County. In 2012, Western Mental Health Institute provided 41,617 days of care with age 65 and over patient days representing 3.3% or 1,412 days. Pathways of Tennessee provided 2,846 days of care with age 65 and over patient days representing 2.3% or 63 days. There were no changes in the percentage of age 65 and over patient days for both facilities from 2011 to 2012.

It would appear the application meets this criterion.

2. Accessibility to specific special need groups should be an important factor.

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The total age 65 and older population is estimated at 56,904 residents in CY 2014, increasing approximately 8.1% to 61,540 residents in 2018.

It would appear the application meets this criterion.

E. Feasibility

The ability of the applicant to meet Tennessee Department of Mental Health and Substance Abuse Services (DMHSAS) licensure requirements (related to personnel and staffing for psychiatric inpatient facilities) should be considered.

The applicant has stated that WWT is aware and understands the licensing and certification as required by the State of Tennessee for medical and clinical staff.

It appears the application meets this criterion.

STAFF SUMMARY

Note to Agency members: This staff summary is a synopsis of the original application and supplemental responses submitted by the applicant. Any HSDA Staff comments will be presented as a "Note to Agency members" in bold italic.

If approved, the proposed 16 bed geropsychiatric hospital will operate in the same facility as Woodridge of Tennessee d/b/a Madison Oaks Academy in Jackson, TN. Woodridge Behavioral Care, LLC (100% owner of the applicant) also owns Madison Oaks Academy which is a 73 bed residential treatment facility (RTF) for adolescents with behavioral disorders. The adolescent residential program occupies the second level of the facility leaving four (4) ground level unoccupied nursing units for future development. Woodridge of West Tennessee, LLC plans to locate the proposed self-contained sixteen (16) bed geropsychiatric hospital in one of the four units on the 1st floor. Woodridge of West Tennessee, LLC plans to share pharmacy, therapist, floor techs, nurses, Physicians, and other resources with the RTF.

Need

The applicant provides the following justification in the original application:

- The lack of inpatient geriatric facilities in Jackson cause undue hardships and burdens on the citizens of Madison County
- The need is justified by an inadequate number of inpatient geriatric psychiatric beds in the service area

Ownership

Woodridge of West Tennessee, LLC is a Tennessee registered new wholly owned subsidiary of Woodridge Behavioral Care, LLC formed August 6, 2013 based near Nashville, TN. Currently, Woodridge operates four residential treatment facilities and two group homes. WJL Realty, an affiliate of Woodridge of West Tennessee, is currently building a 48-bed psychiatric hospital in West Memphis, Arkansas. The total project cost is \$9.5 million and is projected to be completed in September 2014.

The proposed hospital will be managed by Ameris Acquisitions, LLC, an unrelated third party to the applicant. Ameris Acquisitions, LLC has managed eight (8) geropsychiatric units representing 123 beds in four (4) southeastern states. Please refer to pages 7-9 in supplemental one for an overview of Ameris.

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Facility Information

- The Woodridge facility is a 109,549 SF two story plus basement building originally built as a general medical hospital approximately 35-40 years ago.
- The proposed sixteen bed geriatric facility will occupy existing acute care patient rooms in a 7,000 square foot wing on the 56,066 sq. ft. first floor.
- The proposed unit will have its own unique entrance access and will operate as a distinct area.
- Mechanical, plumbing, and electrical systems will be upgraded to current requirements and the sprinkler system will be extended to cover the entire renovated areas.
- All floor, wall and ceiling finishes will be new.
- An outside patient area will be constructed and surrounded by a security fence.

Service Area Demographics

Woodridge of West Tennessee's declared primary service area is Chester, Crocket, Dyer, Gibson, Hardin, Hardeman, Haywood, Henderson, Madison, and McNairy counties.

- The total population of the service area is estimated at 346,199 residents in calendar year (CY) 2014 increasing by approximately 1.2% to 350,523 residents in CY 2018.
- The total 65 and older population is estimated at 56,904 residents in CY 2014 increasing approximately 8.1% to 61,540 residents in 2018
- The total population of the state of Tennessee is expected to grow 3.7% during the same timeframe
- The Age 65+ population in the state of Tennessee overall is expected to increase 12.3% during the same timeframe.
- The Age 65+ population in the service area is expected to equal 16.2% of the total population in 2018.
- The Age 65+ population in the state of Tennessee is expected to equal 16.1% of the total population in 2018.
- The latest 2013 percentage of the proposed service area population enrolled in the TennCare program is approximately 22.9%, as compared to the statewide enrollment proportion of 18.8%.

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.

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Service Area Historical Utilization

Facility	Psychiatric Bed Category		
	C&Y	Adult	Gero-Psych
<i>Inpatient Psychiatric Hospitals in the proposed 10 county service area</i>			
Proposed Woodridge of West TN (Madison Co.)			X
Pathway of TN (Madison Co.)		X	
Western Mental Health Institute (Hardeman Co.)		X	
<i>West TN Inpatient Psychiatric Hospitals outside of proposed service area</i>			
Behavioral Healthcare Center at Martin (Weakley Co.)			X
Henry County Medical Center (Henry Co.)		X	
Delta Medical Center (Shelby Co.)		X	X
Lakeside Behavioral Health System (Shelby Co.)	X	X	X
Memphis Mental Health (Shelby Co.)			X
Saint Francis Hospital (Shelby Co.)	X	X	X
Baptist Memorial Hospital (CN1205-021A) (Carroll Co.)			*X

**Baptist Memorial Hospital Huntington, CN1205-021A was approved at the September 26, 2012 Agency meeting for the conversion of 12 licensed med-surg beds to 12 geriatric licensed psychiatric beds. The project is outstanding with an expiration date of November 1, 2015.*

The table above reflects the type of psychiatric bed categories offered by each of the inpatient psychiatric facilities in the proposed 10 county service area, and within West Tennessee. The table indicates the following:

- Pathways of Tennessee and Western Mental Health Institute provides adult inpatient psychiatric services only.
- If approved, the proposed Woodridge of West Tennessee would be the only mental health hospital in the proposed 10 county service area with a psychiatric inpatient unit targeting geriatric patients.
- In West Tennessee (outside of the proposed 10 county service area), there are two (2) inpatient units specializing in psychiatric inpatient Child & Youth services, four (4) adult inpatient psychiatric services and five (5) mental health hospitals with dedicated units specializing in inpatient geropsychiatric care.
- Please refer to pages 14-15 in supplemental #1 for a comprehensive listing of all the time/travel distance from the psychiatric facilities in West Tennessee to the county seats of the proposed ten (10) county service area.

As mentioned on the preceding page, there are two facilities in the service area that provide psychiatric services. These facilities' historical utilizations are provided in the charts below.

Facility	City	County	Beds (2012)	2010 Patient Days	2011 Patient Days	2012 Patient Days	'10-'12 % Change	2010 Occup	2011 Occup.	2012 Occup.
Pathways of Tennessee	Jackson	Madison	25	3,418	3,085	2,846	-16.7%	37.5%	33.8%	31.2%
Western Mental Health Institute	Bolivar	Hardeman	187	44,339	43,427	41,617	-6.1%	48.6%*	59.5%**	60.9%
Total			212	47,757	46,512	44,463	-6.9%	47.6%	56.6%	57.5%

Source: Tennessee Department of Health, Joint Annual Reports - 2010, 2011, and 2012

*Based on 250 licensed beds

**Based on 200 licensed beds

Facility	City	County	Beds (2012)	2012 Patient Days	2012 Age 65+ Patient Days	Age 65+ Patient Days as a % of Total
Pathways of Tennessee	Jackson	Madison	25	2,846	63	2.2%
Western Mental Health Institute	Bolivar	Hardeman	187	41,617	1,412	3.4%
Total			212	44,463	1,475	3.3%

- The two preceding charts indicate that inpatient psychiatric utilization in the service area declined almost 7% between 2010 and 2012
- Age 65+ patients account for a little over 3% of all psychiatric inpatients in the two service area mental health facilities

There are seven other inpatient psychiatric providers outside the service area but in west Tennessee. The patients from the service area that have utilized the facilities that provide only psychiatric services in 2012 are presented in the table below: (The psychiatric patient origin for facilities providing both general hospital and psychiatric services cannot be determined from the Joint Annual Report).

Facility	City	County	Beds (2012)	Service Area Inpatients	Total Inpatients	Service Area Patients as a % of Total
Behavioral Health Center at Martin (Geropsychiatric)	Martin	Weakley	16	128	296	43.2%
Lakeside Behavioral Health System	Memphis	Shelby	290	105	6,606	1.6%
Memphis Mental Health	Memphis	Shelby	111	11	1440	0.8%

- The chart above displays that 43.2% of Behavioral Health Center at Martin's patients reside in the applicant's proposed service area.
- The other two Memphis facilities only have a very small percentage of their patients from the proposed service area

Applicant Projected Utilization

The applicant's projected utilization for the first two years after project completion is presented in the table below:

Beds	Year 1 Admits	Year 1 Patient Days	Year 1 ALOS	Year 1 % Occupancy	Year 2 Admits	Year 2 Patient Days	Year 2 ALOS	Year 2 % Occupancy
16	156	2,190	14 days	39.9%	169	2,373	14 days	40.6%

Project Cost

Major costs are:

- Construction Cost- \$800,000, or 69% of cost.
- Facility- \$225,737, or 19.5% of the total cost.
- For other details on Project Cost, see the Project Cost in the second supplemental response

Financing

A September 11, 2013 letter from H. Neil Campbell, confirms that Woodridge Behavioral Healthcare has the necessary financial resources to fund the proposed project. In addition, a letter from Alison H. Jones, Senior Vice President of Pinnacle Bank, confirms Woodridge Behavioral Care, LLC has \$1,500,000 in a working capital Line of Credit to be used to meet working capital needs.

Historical Data Chart

Since this is a new facility, a historical data chart was not provided.

Projected Data Chart

The applicant projects \$2,409,000.00 in total gross revenue on 2,190 days during the first year of operation and \$2,609,750 on 2,373 days in Year Two (approximately \$1,100 per day). The Projected Data Chart reflects the following:

- Net operating income less capital expenditures for the applicant will equal \$73,832 in Year One increasing to \$130,745 in Year Two.
- Net operating revenue after contractual adjustments is expected to reach \$1,669,223 or approximately 64% of total gross revenue in Year Two.
- There is no provision for charity care in the Projected Data Chart.
- The applicant indicates indigent uninsured situations do not apply to this project since all patients will be qualified for Medicare

Woodridge Behavioral Care, LLC audited financial statements for the period ending December 31, 2012 indicates \$1,291,915 in cash, total current assets of \$3,651,522, total current liabilities of \$2,352,534, and a current ratio of 1.55:1.

Current ratio is a measure of liquidity and is the ratio of current assets to current liabilities which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.

Charges

In Year One of the proposed project, the average charges are as follows:

- The proposed average gross charge is \$1,100/day in 2014.
- The average deduction is \$396/day, producing an average charge of \$704/day.

Medicare/TennCare Payor Mix

- Medicare- Charges will equal \$2,409,000 in Year One representing 100% of total gross revenue.
- This proposal will not involve the treatment of TennCare participants. The applicant anticipates that all patients will be Age 65+ and thus be covered by Medicare.

Staffing

The applicant's proposed direct patient care staffing in Year Two includes the following:

- 3.0 FTE Registered Nurses and
- 5.0 FTE Techs and
- .5 Licensed Clinical Social Worker

Licensure/Accreditation

Woodridge of West Tennessee, LLC will be licensed by the Tennessee Department of Mental Health and Substance Abuse Services and certified by Medicare. In supplemental one, Woodridge of West Tennessee, LLC provided a copy of an annual inspection conducted September 21, 2012 by the Tennessee Department of Mental Health and Substance Abuse Services, West Tennessee Office of Licensure, of Madison Oaks Academy (MH Residential Treatment Facility for Children and Youth) which is owned by Woodridge of Tennessee, LLC.

Woodridge of West Tennessee, LLC will seek accreditation from The Joint Commission.

The applicant has submitted the required information on corporate documentation and title and deeds. Staff will have a copy of these documents available for member reference at the meeting. Copies are also available for review at the Health Services and Development Agency's office.

Should the Agency vote to approve this project, the CON would expire in three years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent, denied or pending applications or outstanding Certificates of Need for this applicant.

CERTIFICATE OF NEED INFORMATION FOR OTHER FACILITIES IN THE SERVICE AREA:

There are no Letters of Intent, denied or pending applications, or outstanding Certificates of Need for other health care organizations in the service area proposing this type of service.

Woodridge of West Tennessee, LLC

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PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PME (1/9/13)

LETTER OF INTENT



SEP 10 '13 AM 8:54

LETTER OF INTENT TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Jackson Sun which is a newspaper of general circulation in Madison, Tennessee, on or before September 10, 2013 for one day.
(County) (Name of Newspaper) (Month / day) (Year)

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency,

Woodridge of West Tennessee, LLC

New

(Name of Applicant)

(Facility Type-Existing)

owned by: Woodridge of Tennessee, LLC

with an ownership type of LLC

and to be managed by: Ameris Acquisitions, LLC

intends to file an application for a Certificate of Need

for [PROJECT DESCRIPTION BEGINS HERE]:

Proposal of a new sixteen (16) bed Geriatric Psychiatric Facility. The Facility will be located at 49 Old Hickory Blvd, Jackson, TN 38305. The cost of construction is estimated to be \$700,000 and first year operating costs are expected to be \$1,072,000. The facility will be managed by Ameris Acquisitions, LLC

The anticipated date of filing the application is: September 13, 2013

The contact person for this project is Robert Bauer

CEO

(Contact Name)

(Title)

who may be reached at: Ameris Acquisitions, LLC

1114 17th Ave South, #205

(Company Name)

(Address)

Nashville

TN

37212

615/327-4440

(City)

(State)

(Zip Code)

(Area Code / Phone Number)

[Signature]

9/5/2013

(Date)

krbauerjr@aol.com

(E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Woodridge of West Tennessee, LLC

Application for CON 1309-035

Originally Submitted

September 13, 2013

SEP 30 '13 AM 11:49

1. <u>Name of Facility, Agency, or Institution</u>			
Woodridge of West Tennessee <hr/> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> Name 49 Old Hickory Blvd Street or Route Jackson City </div> <div style="width: 10%; text-align: center;"> TN State </div> <div style="width: 40%;"> Madison County 38305 Zip Code </div> </div>			
2. <u>Contact Person Available for Responses to Questions</u>			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> Robert Bauer Name Ameris Acquisitions, LLC Suite 205 Company Name 1114 17th Ave South Street or Route Management Company Association with Owner </div> <div style="width: 10%; text-align: center;"> Nashville City 615-327-4440 Phone Number </div> <div style="width: 40%;"> CEO Title krbauerjr@aol.com Email address TN 37212 State Zip Code 615-538-2631 Fax Number </div> </div>			
3. <u>Owner of the Facility, Agency or Institution</u>			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> Woodridge of West Tennessee, LLC Name 162 Cude Lane Street or Route madison City </div> <div style="width: 10%; text-align: center;"> TN State </div> <div style="width: 40%;"> 615-860-9230 Phone Number Davidson County 37115 Zip Code </div> </div>			
4. <u>Type of Ownership of Control (Check One)</u>			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> A. Sole Proprietorship B. Partnership C. Limited Partnership D. Corporation (For Profit) E. Corporation (Not-for-Profit) </div> <div style="width: 10%; text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> </div> <div style="width: 40%;"> F. Government (State of TN or Political Subdivision) G. Joint Venture H. Limited Liability Company I. Other (Specify) </div> <div style="width: 10%; text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> </div> </div>			

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

SUPPLEMENTAL

5. Name of Management/Operating Entity (If Applicable)

Ameris Acquisitions, LLC

Name

1114 17th Ave South #205

Street or Route

Nashville

City

TN

State

Davidson

County

37212

Zip Code

PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

6. Legal Interest in the Site of the Institution (Check One)

A. Ownership

☒

D. Option to Lease

☐

B. Option to Purchase

☐

E. Other (Specify) _____

☐

C. Lease of _____ Years

☐

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

7. Type of Institution (Check as appropriate--more than one response may apply)

A. Hospital (Specify)

☐

I. Nursing Home

☐B. Ambulatory Surgical Treatment
Center (ASTC), Multi-Specialty☐

J. Outpatient Diagnostic Center

☐

C. ASTC, Single Specialty

☐

K. Recuperation Center

☐

D. Home Health Agency

☐

L. Rehabilitation Facility

☐

E. Hospice

☐

M. Residential Hospice

☐

F. Mental Health Hospital

☒N. Non-Residential Methadone
Facility☐G. Mental Health Residential
Treatment Facility☐

O. Birthing Center

☐H. Mental Retardation Institutional
Habilitation Facility (ICF/MR)☐P. Other Outpatient Facility
(Specify) _____☐

Q. Other (Specify) _____

☐8. Purpose of Review (Check) as appropriate--more than one response may apply)

A. New Institution

☒

G. Change in Bed Complement

[Please note the type of change
by underlining the appropriate
response: Increase, Decrease,
Designation, Distribution,
Conversion, Relocation]

☐

B. Replacement/Existing Facility

☐

C. Modification/Existing Facility

☐D. Initiation of Health Care
Service as defined in TCA §
68-11-1607(4)☐

H. Change of Location

☐

(Specify) _____

☐

I. Other (Specify) _____

☐

E. Discontinuance of OB Services

☐

F. Acquisition of Equipment

☐☐

9. **Bed Complement Data**

Please indicate current and proposed distribution and certification of facility beds.

	<u>Current Beds Licensed</u>	<u>Beds *CON</u>	<u>Staffed Beds</u>	<u>Beds Proposed</u>	<u>TOTAL Beds at Completion</u>
A. Medical					
B. Surgical					
C. Long-Term Care Hospital					
D. Obstetrical					
E. ICU/CCU					
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric	0	0	0	16	16
J. Child/Adolescent Psychiatric					
K. Rehabilitation					
L. Nursing Facility (non-Medicaid Certified)					
M. Nursing Facility Level 1 (Medicaid only)					
N. Nursing Facility Level 2 (Medicare only)					
O. Nursing Facility Level 2 (dually certified Medicaid/Medicare)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child and Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL	0	0	0	16	16

*CON-Beds approved but not yet in service

9. **Bed Complement Data**

Please indicate current and proposed distribution and certification of facility beds.

	<u>Current Beds Licensed *CON</u>		<u>Staffed Beds</u>	<u>Beds Proposed</u>	<u>TOTAL Beds at Completion</u>
A. Medical					
B. Surgical					
C. Long-Term Care Hospital					
D. Obstetrical					
E. ICU/CCU					
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric	0	0	0	16	16
J. Child/Adolescent Psychiatric					
K. Rehabilitation					
L. Nursing Facility (non-Medicaid Certified)					
M. Nursing Facility Level 1 (Medicaid only)					
N. Nursing Facility Level 2 (Medicare only)					
O. Nursing Facility Level 2 (dually certified Medicaid/Medicare)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child and Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL					

*CON-Beds approved but not yet in service

10. Medicare Provider Number N/A
 Certification Type N/A
11. Medicaid Provider Number N/A
 Certification Type N/A
12. If this is a new facility, will certification be sought for Medicare and/or Medicaid? Yes
13. *Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare participants? No If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.*
- Discuss any out-of-network relationships in place with MCOs/BHOs in the area.*

Executive Summary

The applicant for this certificate of need is Woodridge of West Tennessee, LLC ("WWT"). WWT is a new, wholly owned subsidiary of Woodridge Behavioral Care, LLC ("Woodridge") headquartered near Nashville, Tennessee. Woodridge is a successful growth oriented behavioral health care provider bringing a broad range of integrated services to the communities it serves. It currently offers treatment of children and adolescents having difficulty with psychiatric, behavioral and emotional issues, chemical addictions, and sex offending behavior. Woodridge offers a confidential, caring environment that promotes crisis resolution, positive self awareness, social skills, and personal growth that is monitored in a safe environment 24 hours a day 7 days a week.

Formed by Neil Campbell and Mike White in July of 2011, Woodridge began with 4 residential treatment centers located in 3 states. Prior to forming Woodridge, Mr. Campbell and Mr. White were partners or senior officers in several psychiatric companies including AmiCare Behavioral Centers, Keystone Education and Youth Services and Vendell Healthcare. AmiCare offered services to adult and geriatric populations, out-patient programs, as well as adolescent residential care centers.

Presently, Woodridge operates four residential treatment facilities and two group homes with a total of 231 licensed beds operating at 90% capacity. Approximately 400 people are employed to provide care and services to the residents. This care is delivered to residents of 7 states (Tennessee, Arkansas, Missouri, Ohio, Illinois, Oklahoma and Iowa). Construction of a new facility in West Memphis, Arkansas offering inpatient child, adolescent and geriatric psychiatric services should begin in a matter of months.

Woodridge has continued to grow and prosper. The Company has in place systems with a track record of successful operation. There is potential for significant near term growth through program expansion at the existing facilities as well as development of new facilities.

Woodridge currently owns and operates Woodridge of Tennessee d/b/a Madison Oaks Academy in Jackson, Tennessee ("Madison Oaks"). Madison Oaks is a residential treatment center for adolescents with behavioral disorders. The first adolescent resident was admitted in September of 2007 and the center began with programming that provided comprehensive treatment services to females, ages 12 to 18 years. As the need grew, sections of the building were remodeled to accept male adolescent patients. Today, Madison Oaks has 73 licensed beds with adequate space for new development.

Madison Oaks' building is large enough to accommodate a full range of psychiatric services beyond the children and adolescent program currently in place. The adolescent residential program occupies the second level of the building leaving 4 unoccupied nursing units on the ground level for future development. It is in one of these 4 units, which Woodridge via WWT proposes to add a geriatric psychiatric unit ("GPU") to address the needs of the senior population in the Jackson, Tennessee market area.

Jackson, Tennessee represents the only metropolitan statistical area between Nashville, Tennessee and Memphis, Tennessee with no geriatric psychiatric unit immediately available. The nearest other center besides Memphis and Nashville is in Martin, Tennessee approximately 50 miles north of Jackson. The population of Jackson and most of its contiguous counties is over 250,000. Over 79,000 of these residents are age 65 and over and would be Medicare eligible for services provided by a GPU.

Future plans for Madison Oaks may also include the addition of an acute adolescent psychiatric service, an acute adult psychiatric service and an acute detox and chemical dependency treatment unit. The typical support services and hotel services needed to operate a GPU are already available within the facility supporting the adolescent residential units. Local Jackson based physicians and acute care hospitals are also immediately available to Madison Oaks for the occasional unexpected medical needs of patients, which are not provided on a GPU.

Woodridge has retained Ameris Acquisitions, LLC (Nashville, Tennessee) to assist in the development and management of the unit. Ameris and its executives have developed and managed several GPUs in their own hospitals as well as non-Ameris facilities. Ameris has consulted, developed and/or managed GPUs in Kingsport, Tennessee (28 beds); Nashville, Georgia (12 beds); Louisville, Mississippi (14 beds); Montezuma, Georgia (10 beds); Prentiss, Mississippi (15 beds); Fayetteville, Arkansas (12 beds); Blytheville, Arkansas (20 beds) and Newton, Mississippi (12 beds).

Woodridge Behavioral Care, LLC Leadership (Owner)

H. Neil Campbell, President & Chief Executive Officer

Neil Campbell offers over 30 years worth of industry and managerial experience to WoodRidge. He most recently was co-founder and President of AmiCare Behavioral Centers. Previously he was the President of Lighthouse Care Centers and co-founded and served as President and CEO of Keystone Education and Youth Services. Mr. Campbell also served as president of Vendell Healthcare, a provider of psychiatric services to adults and youth. Mr. Campbell holds a Masters Degree in Finance from Louisiana State University.

Mike White, Executive Vice President & Chief Financial Officer

Mike White, with over 25 years of experience in financial healthcare operations, offers WoodRidge a successful history in the behavioral health field. He was co-founder and EVP/Chief Financial Officer for AmiCare Behavioral Centers. Previously he held the position of Senior Vice President/Financial Operations with Keystone Education and Youth Services. Mr. White also held several Controller positions within the psychiatric healthcare industry while working with Vendell Healthcare and Charter Medical Corporation. Mr. White graduated from Western Kentucky University with a Bachelor's Degree in Accounting.

Cecelia Hunt, LCSW, Vice President of Operations

Beginning as a direct care worker in the early 1990's, Cecelia Hunt has accumulated 19 years of experience in the behavioral health field. As a senior executive she has experience in operational and clinical oversight for psychiatric hospitals, residential facilities and outpatient centers. Prior to joining WoodRidge, Ms. Hunt served as VP of Clinical Services for AmiCare Behavioral Centers; Chief Operating Officer for Lighthouse Care Center of Augusta and RTC Program Administrator for Children's Comprehensive Services. Ms. Hunt is a licensed clinical social worker ("LCSW") in the states of Alabama, Georgia and Florida, as well as a licensed child care administrator in the state of Texas. She received a Bachelor of Science in Social Work and a Master of Social Work from the University of Alabama.

Stephen Chesney, Executive Director at Madison Oaks Academy

Mr. Chesney is in his fifth year at the center in Jackson, Tennessee and successfully manages operational and financial performance and develops strategic marketing initiatives. Mr. Chesney led the center in Jackson, Tennessee from an essentially start-up facility with an average daily census ("ADC") of 28.6 to its current ADC of 62.7, which is 86% of capacity. Prior to his tenure at Madison Oaks, Mr. Chesney worked with Mr. Campbell and Mr. White at Keystone Education and Youth Services in Charlotte, North Carolina. He holds a Master of Arts degree in Experimental Psychology from Indiana State University.

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Section B: In Patient Geriatric Psychiatric Project Description

I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

ANSWER:

IP Geriatric Psychiatric Summary: Woodridge of West Tennessee, LLC is proposing a sixteen (16) bed geriatric psychiatric facility to be located at 49 Old Hickory Blvd in Jackson, Tennessee. Ameris Acquisitions, LLC has been chosen to manage the facility. Ameris has developed, owned, managed and operated several psychiatric facilities throughout the Southeast.

The lack of inpatient geriatric facilities in Jackson, Tennessee causes undue hardships and burdens on the citizens of Madison County. The **Need** is justified by an inadequate number of inpatient geriatric psychiatric beds in the service area. Providing inpatient geriatric psychiatric services **contributes to the orderly development of healthcare** by providing services in an area it does not currently exist.

Proposed Services and Equipment. Woodridge proposes to open a sixteen (16) bed inpatient geriatric psychiatric unit in Jackson, Tennessee which is located in Madison County. The geriatric psychiatric facility is the only component missing along the continuum of care for geriatric services in Madison County, TN. No external equipment needs have been identified.

Ownership Structure. Woodridge of West Tennessee, LLC was established in 2013. **See Attachment A & B.**

Ameris Acquisitions, LLC was established in April of 2012. Ameris, Since 1992; has operated geriatric psychiatric facilities under Ameris Health Systems, LLC and Ameris Management Services, LLC No other changes in ownership structure are planned for the entity.

Service Area. While the primary service area will be Madison County, the residents of the nine (9) surrounding counties will be considered secondary service area.

Need. Madison County Residents that require geriatric psychiatric services must now travel 60.2 miles to Linden, Tennessee or 55.26 miles to Martin, Tennessee.

Facility	Location from proposed facility	Beds	ADC	ALOS
BHC Martin	55.26 miles	16	11.7	14.88
Linden	60.02 miles	14	5.53	11.73

Source: Tennessee Joint Annual Reports

According to the Tennessee Health Guidelines for Growth, the population estimate of the total need for adult in-patient psychiatric services is 30 beds per 100,000 of population aged 18 and over. The service area for the proposed facility is 270,948 people, which indicates a **Need** of 81 beds. Currently there are only 25 mixed use beds in our primary service area.

County	Population 18+
Madison	70,920
Chester	12,296
Crockett	10,624
Dyer	27,809
Gibson	36,109
Hardin	19,709
Hardeman	19,062
Haywood	13,463
Henderson	20,340
McNairy	19,304
Total	248,636

Source: U.S. Census

The subset for the geriatric psychiatric in-patient need is 30 beds per 100,000 of population aged 65 and older. The service area encompasses 59,671 adults aged 65 and older. According to this population figure, there is a need for approximately 18 geriatric in-patient beds.

County	Population	65+	White	Black
Madison	98,656	13,767	59,402	36,475
Chester	17,171	2,703	15,145	1,597
Crockett	14,623	2,476	12,226	1,988
Dyer	38,255	5,897	31,662	5,637
Gibson	49,626	8,376	39,497	9,230
Hardin	25,950	5,151	24,418	898
Hardeman	26,533	4,027	14,956	11,055
Haywood	18,240	2,736	8,856	9,140
Henderson	28,023	4,391	25,192	2,177
McNairy	26,180	4,830	24,113	1,574
Total	343,257	54,353	255,467	79,771

Source: Tennessee Department of Health

According to the Tennessee Department of Health's Census projections, geriatric inpatient beds will need to be increased to 20 in the year 2018.

County	Projected Population 2018 65+
Madison	15,522
Chester	2,836
Crockett	2,622
Dyer	6,657
Gibson	9,194
Hardin	5,748
Hardeman	4,935
Haywood	3,125
Henderson	3,843
McNairy	5,371
Total	60,853

Source: Tennessee Department of Health

Existing Resources. The Woodridge facility will be located in a 48,000 square foot building in the heart of Jackson, TN. Woodridge is already operating a 74 bed CARF accredited RTF in this building. The new geriatric facility will be utilizing existing resources within the building. The Woodridge geriatric program will share pharmacy, therapist, floor techs, nurses, physicians and other existing resources with the RTF.

Project Cost Woodridge Geriatric will utilize a 7,000 square foot wing located within the Woodridge facility. The total cost to renovate the facility is estimated to be \$900,000 , Annual operating expenses are estimated to be approximately \$1,450,00.00.

Funding Capital and start-up expenses will be paid through cash reserves and operating income.

Financial Feasibility Woodridge's assumptions will be feasible in the first year with projected levels of 156 admissions, a 14 day ALOS or 2190 patient days which is a 6.0 ADC. Given the size of the population in Woodridge's service area, this should be an attainable first year budget and will grow over time as the unit builds a reputation for it's geriatric psychiatric services.

Staffing Woodridge will add the following positions to establish the geriatric psychiatric facility: Program Director, Community Education Director, Clinical Therapist , Registered Nurse, Licensed Practical Nurse, Activity Coordinator, Psychiatrist, Medical Director and Floor Techs. Based on the positive response from the local community, staffing the program can be easily accomplished.

II Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

A. Describe the construction, modification and/or renovation of the facility (exclusion of major medical equipment covered by T.C.A 68-11-1601 et seq) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$2 Million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A-E by identifying as applicable nursing units, ancillary areas, and support areas affected by the project. Provide the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

ANSWER: Construction cost for the proposed geriatric psychiatric inpatient facility are well under the \$2 million threshold, therefore the square footage exhibit is not applicable. There is no new construction planned. Instead, this project proposes to renovate approximately 7,000 square feet of existing hospital space at a cost of \$900,000.00.

B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

ANSWER: Woodridge is requesting 16 new beds. The increase in beds is due to lack of services in the proposed service area. The addition of sixteen geriatric psychiatric beds will not impact the existing services.

C. As the applicant, describe your need to provide the following health care services, (if applicable to this application):

ANSWER:

There are several factors supporting Woodridge's proposal to offer inpatient geriatric psychiatric services.

Accessibility: There are no inpatient geriatric psychiatric programs in Madison and the surrounding 10 counties. The nearest inpatient GPU is located in Linden, Tennessee, approximately 55 miles away. Madison County is central to all counties in the service area.

Community in need: The proposed service area of Madison and surrounding counties has a population of 371,000 people, with 59,671 aged 65 and over. Based on the state formula for 30 beds per 100,000 people aged 65 and over, there are approximately 18 geriatric psychiatric inpatient beds needed.

Need for additional inpatient geriatric psychiatric capacity: Based on the Tennessee Health Guidelines for Growth the service area can accommodate the additional 16 bed unit. This need is currently underserved by existing providers who are located 55- 100 miles away.

D. Describe the need to change location or replace an existing facility.

ANSWER: N/A

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute), which exceeds a cost of \$1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

1. For fixed-site major medical equipment (not replacing existing equipment):

ANSWER: N/A

2. For mobile major medical equipment

ANSWER: N/A

3. Indicate applicant's legal interest in equipment (i.e., purchase, lease, etc.) In case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

ANSWER: N/A

III (A) Attach a copy of the plot plan of the site on an 8 ½" x 11 sheet of white paper which must include

1. Size of site (in acres)
2. Location of structure on the site; and
3. Location of the proposed construction
4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for ALL projects.

Response: Please see Attachment E

(B) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

Response: Woodridge will be located in the central Jackson Metro area. The facility is located next to two major highways (45 and 412) and a major interstate (I-40). Bus transportation routes run throughout the Jackson area. Please see Attachment E

IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 ½" x 11" sheet of white paper.

NOTE: Do NOT submit blueprints. Simple line drawings should be submitted and need not be drawn to scale.

Response: Please see Attachment F

QUESTIONS**NEED**

1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.

- a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.
- b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c).

RESPONSE: Included below are the Criteria and Standards required for Psychiatric Inpatient Services.

A. Need

1. The population-based estimate of the total need for psychiatric inpatient services is 30 beds per 100,000 general population (using population estimates prepared by the Department of Health and applying the data in Joint Annual Reports).

RESPONSE: Currently there are no geriatric psychiatric beds in the proposed service area. The combined population for Madison, Chester, Crockett, Dyer, Gibson, Hardin, Hardeman, Haywood, Henderson and McNairy Counties age 18 and older is 250,000. According to the recommended 30 beds per 100,000, this area could support a total of 75 beds. The addition of Woodridge's 16 beds will bring the total inpatient geriatric psychiatric beds to 16, less than one third of the calculated need. The two closest geriatric psychiatric facilities are 55 and 60 miles away from the proposed facility.

EXHIBIT 1
65 AND OLDER POPULATION PROJECTIONS

County	Projected Population 2018 65+
Madison	15,522
Chester	2,836
Crockett	2,622
Dyer	6,657
Gibson	9,194
Hardin	5,748
Hardeman	4,935
Haywood	3,125
Henderson	3,843
McNairy	5,371
Total	60,853

Source: 2010 TN Department of Health

EXHIBIT 2
TOTAL POPULATION PROJECTIONS

County	Projected Population 18+
Madison	70,920
Chester	12,296
Crockett	10,624
Dyer	27,809
Gibson	36,109
Hardin	19,709
Hardeman	19,062
Haywood	13,463
Henderson	20,340
McNairy	19,304
Total	249,735

Source: U.S. Census

2. Adult Programs – the age group of 18 years and older should be used in calculating the estimated total number of beds needed.

RESPONSE: Woodridge's program serves adults. The population used to calculate the need above excludes population of those less than 18 years of age.

3. For child inpatients under age 13, and if adolescent program, the age group of 13-17 should be used.

RESPONSE: N/A

4. These estimates for total need should be adjusted by the existing staffed beds open in the area as counted by the Department of Health in the Joint Annual Report.

RESPONSE: The total number of staffed beds in Woodridge's service area is 0; therefore, the total need is 75 beds, which is the existing need.

B. Service Area

1. The geographic service area should be reasonable and based on optimal balance between population density and service proximity of the community service agency.

RESPONSE: The geographic service area encompasses Madison County and the nine surrounding counties where the Woodridge facility will be located. The service area is reasonable and underserved for the geriatric population.

2. The relationship of the socio demographics of the service area to the projected population to receive services should be considered. The proposal's sensitivity and responsiveness to the special needs of the service area should be considered. These special needs include accessibility to consumers, particularly women, racial and ethnic minorities, low income groups and those involuntarily needing services.

RESPONSE: The inpatient geriatric psychiatric program serves patients aged 65 years and older. Madison and the surrounding 9 counties have higher than state average numbers of residents aged 65 years and older. Because the numbers of persons aged 65 years and older is projected to increase, there will be an equally increasing need for services provided by an inpatient geriatric psychiatric program. This proposal is sensitive to the needs of the elderly population and does not discriminate based on age, race, gender or income level.

C. Relationship to Existing Applicable Plans

1. The proposal's relationship to policy as formulated in state, city, county and regional plans plus other documents should be a significant consideration.

RESPONSE: The proposal does not relate to any state, city, county policies or regional planning documents.

2. The proposal's relationship to underserved geographic areas and population groups as identified in state, city, county and/or regional plans and other documents should be a significant consideration.

RESPONSE: This proposal does not relate to any state, city, county or regional plans that require consideration.

3. The impact of the proposal on similar services supported by state appropriations should be assessed and considered.

RESPONSE: There are no geriatric psychiatric facilities in our defined service area; therefore, there would be no adverse impact or duplication of services.

4. The proposal's relationship to whether or not the facility takes voluntary and/or involuntary admissions and whether the facility serves acute and/or long-term patients should be considered.

RESPONSE: The proposed program will serve both voluntary and involuntary admissions while providing both acute and long-term care.

5. The degree of projected financial participation in Medicare and TennCare programs should be considered.

RESPONSE: Woodridge expects to participate in Medicare and is presently a TennCare provider.

D. Relationship to Existing Similar Services in Area

1. The area's trend in occupancy and utilization of similar services should be considered.

RESPONSE: Currently there are no geriatric psychiatric units ("GPUs") or services in our proposed service area. The closest GPU is BHC Martin, which is approximately 55 miles from the Woodridge facility. BHC Martin is

a 16 bed GPU with an average daily census ("ADC") of 11.7 and an average length of stay ("ALOS") of 14.88, according to the Tennessee Joint Annual Reports.

2. Accessibility to specific special need groups should be an important factor.

RESPONSE: Woodridge is centrally located to the service area and is easily accessible by the population it will serve. Woodridge will provide transportation to the facility.

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

RESPONSE: The addition of a GPU fills a vital need of the residents of Madison and surrounding counties. Woodridge is also considering the development of an additional adult unit or adolescent unit in the near future.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. **Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).**

RESPONSE: Please see attachment G. Currently residents of Madison County and the surrounding counties must travel 90 miles to Memphis, 120 miles to Nashville, or 55 miles to Martin to receive geriatric psychiatric services. This places a burden not only on individual patients themselves, but also on families who attend family therapy sessions.

4. A. Describe the demographics of the population to be served by this proposal.

RESPONSE: Woodridge is committed to taking care of the elderly and low income populations throughout the service area. The population of aged 65 and over is expected to be 60,853 by 2018.

EXHIBIT 3
TOTAL POPULATION PROJECTIONS

County	Projected Population 2018 65+
Madison	15,522
Chester	2,836
Crockett	2,622
Dyer	6,657
Gibson	9,194
Hardin	5,748
Hardeman	4,935
Haywood	3,125
Henderson	3,843
McNairy	5,371
Total	60,853

Source: 2010 TN Department of Health

EXHIBIT 4

WHITE AND BLACK POPULATION PROJECTIONS

County	Population	65+	White	Black
Madison	98,656	13,767	59,402	36,475
Chester	17,171	2,703	15,145	1,597
Crockett	14,623	2,476	12,226	1,988
Dyer	38,255	5,897	31,662	5,637
Gibson	49,626	8,376	39,497	9,230
Hardin	25,950	5,151	24,418	898
Hardeman	26,533	4,027	14,956	11,055
Haywood	18,240	2,736	8,856	9,140
Henderson	28,023	4,391	25,192	2,177
McNairy	26,180	4,830	24,113	1,574
Total	343,257	54,353	255,467	79,771

Source: TN Department of Health

Madison and the surrounding counties are well above the poverty level for the state of Tennessee. However, the low income population like the elderly population has many of the same transportation issues when traveling outside the local community. In addition to travel expenses, seeking services outside the local area causes problems with a patient's payer status. Woodridge does not discriminate on the basis of race, ethnicity, gender, religion or physical ability.

Although Hardeman and McNairy counties have proportionally fewer females than the state average, it is unlikely this will affect admissions to the GPU program. Madison, Gibson and Hardeman counties have proportionally more racial and ethnic minorities than the state's average. Woodridge does not discriminate based on race, ethnicity, gender, religion or physical ability.

EXHIBIT 5

FEMALE POPULATION PROJECTIONS

County	% Female	% White	% Black
Madison	52.5	60.3	37.0
Chester	52.0	88.2	9.3
Crockett	52.2	38.9	13.6
Dyer	51.7	82.8	14.7
Gibson	52.4	79.6	18.6
Hardin	51.5	94.1	3.7
Hardeman	45.5	56.4	41.7
Haywood	52.9	48.6	50.1
Henderson	51.8	89.9	7.8
McNairy	51.0	92.1	6.0
Tennessee	51.2	79.3	17.0

Source: United States Census, Quickfacts 2010

- 4 B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

RESPONSE: With the exception of Jackson (Madison County) and Dyersburg (Dyer County), the service area is very rural. The population served is lower income and elderly. The program takes into consideration these special needs by providing a program closer in proximity to the patient. Woodridge does not discriminate based on race, sex or income level.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

RESPONSE: Currently there are no geriatric psychiatric units in our service area. To the best of our knowledge, there are no approved unimplemented CON's for this type of service.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Response: There is no historical data as this is a new project. Please see Projected Data Chart attached for projections which are based on past experience in much smaller markets.

New Facility, No Historical Data Available.

PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal.
The fiscal year begins in January.

Year	2014	2015
A. Utilization Data (Patient Days)	2,190	2,373
B. Revenue from Services to Patients		
1. Inpatient Services	\$2,409,000	\$2,609,750
2. Outpatient Services	0	0
3. Emergency Services	0	0
4. Other Operating Revenue (Specify)	0	0
Gross Operating Revenue	\$2,409,000	\$2,609,750
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$821,250	\$889,688
2. Provision for Charity Care	0	0
3. Provisions for Bad Debt	0	0
Total Deductions	\$821,250	\$889,688
NET OPERATING REVENUE	\$1,587,750	\$1,720,063

D. Operating Expenses		
1. Salaries and Wages	\$737,512	\$774,387
2. Physician's Salaries and Wages	123,464	125,420
3. Supplies	162,060	175,565
4. Taxes	500	500
5. Depreciation	42,571	42,571
6. Rent	0	0
7. Interest, other than Capital	0	0
8. Other Expenses (Specify)		
Advertising	12,000	12,000
Benefits	154,877	162,621
Purchased Services	75,890	82,148
Recruitment	6,000	6,000
Travel	6,000	6,000
Repairs	13,140	14,235
Rental Expense	3,600	3,600
Insurance	6,475	6,931
Utilities	36,500	40,000
Bad Debt Expense	46,929	50,839
Other Expenses	15,330	16,608
Total Operating Expenses	\$1,442,848	\$1,519,425

E. Other Revenue (Expenses) -- Net (Specify)	0	0
NET OPERATING INCOME (LOSS)	\$144,902	\$200,638

F. Capital Expenditures		
1. Retirement of Principal		
2. Interest		
Total Capital Expenditures		

NET OPERATING INCOME (LOSS)

LESS CAPITAL EXPENDITURES

\$144,902	\$200,638
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ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.
 - All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON Filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
 - The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease; whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.
 - The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
 - For projects that include new construction, modification, and/or renovation; documentation must be provided from a contractor and/or architect that support the estimated construction costs.

Response 6 (c)
PROJECT COSTS CHART

SUPPLEMENTAL- # 2

OCTOBER 8 2013

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A. Construction and equipment acquired by purchase:

- | | |
|--|---------|
| 1. Architectural and Engineering Fees | 50,000 |
| 2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees | |
| 3. Acquisition of Site | |
| 4. Preparation of Site | |
| 5. Construction Costs | 800,000 |
| 6. Contingency Fund | 80,000 |
| 7. Fixed Equipment (Not included in Construction Contract) | |
| 8. Moveable Equipment (List all equipment over \$50,000) | |
| 9. Other (Specify) | |

B. Acquisition by gift, donation, or lease :

- | | |
|--|---------|
| 1. Facility (inclusive of building and land) | 225,737 |
| 2. Building only | |
| 3. Land only | |
| 4. Equipment (Specify) | |
| 5. Other (Specify) | |

C. Financing Costs and Fees:

- | | |
|--|--|
| 1. Interim Financing | |
| 2. Underwriting Costs | |
| 3. Reserve for One Year's Debt Service | |
| 4. Other (Specify) | |

D. Estimated Project Cost
(A+B+C)

1,155,737

E. CON Filing Fee

3,000

F. Total Estimated Project Cost
(D+E)

TOTAL

1,158,737

2. Identify the funding sources for this project. Please check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding **MUST** be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)

Response:

☒

E. Cash Reserves – Appropriate documentation from Chief Financial Officer.
See Attachment C “Cash Reserves”

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

Response:

4. Complete Historical and Projected Data Charts on the following two pages—Do Not modify revenue and expense information for the last three (3) years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the **Proposal Only** (i.e. if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

Response: Average Gross Charge \$1,300
 Average Deduction \$ 575
 Average Net Charge \$ 725

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

RESPONSE: The proposed charge schedule for the Unit will be a per diem all inclusive charge that is highest on day one (to account for the admission process labor/acuity costs) and then slightly less the rest of the first week and tapers down in the second week or remaining time in the facility.

Woodridge will structure its charges to the following levels, subject to changes required by any regulation or practical reasons for doing otherwise:

EXHIBIT - PER DIEM CHARGE SCHEDULE

Day of Stay	Per Diem Rate
Day 1 – Admission Date	\$1300.00
Day 2 - 7	\$1100.00
Day 8 - 14	\$930.00
After Day 14	\$825.00

The GPU charge structure's impact on current charges is not applicable, since this is a new legal entity and service in this facility which will operate the GPU.

Based upon the projected first full fiscal year of patient volume (2190 patient days = 156 admissions @ ALOS of 14.0 days), the Woodridge GPU should produce total gross revenue of \$2,409,000.00 which produces an average blended gross charge rate per day of \$1,100.00.

Woodridge is using a conservative projection of average blended per diem reimbursement of \$725.00 which will produce a Medicare contractual write off of \$821,150 or 34.1% of charges in Year One.

6. B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE: There is no current history of charges to draw any comparison for the above charge master proposal. However, from the charges listed in the St. Thomas Hospital CON application, Project Number CN1101-003, Exhibit 11.b. dated January 2011, it is shown that Woodridge's projected charges are well below the comparative charges among St. Thomas' area providers which ranged from \$2,018.00 per day to \$1,710.00 per day.

Charges per day at the nearest GPU in Martin, TN show an average daily charge of \$1,150.00.

PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January..

	Year 2014	Year 2015
A. Utilization Data (Specify unit of measure)	2,190	2,373
B. Revenue from Services to Patients		
1. Inpatient Services	\$ 2,409,000	\$ 2,609,750
2. Outpatient Services	_____	_____
3. Emergency Services	_____	_____
4. Other Operating Revenue (Specify)_____	_____	_____
Gross Operating Revenue	\$ 2,409,000	\$ 2,609,750
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$ 821,250	\$ 889,688
2. Provision for Charity Care	_____	_____
3. Provisions for Bad Debt	46,929	50,839
Total Deductions	\$ 868,179	\$ 940,527
NET OPERATING REVENUE	\$ 1,540,821	\$ 1,669,223
D. Operating Expenses		
1. Salaries and Wages	\$ 737,512	\$ 774,387
2. Physician's Salaries and Wages	123,464	125,420
3. Supplies	162,060	175,565
4. Taxes	500	500
5. Depreciation	42,571	42,571
6. Rent	51,600	51,600
7. Interest, other than Capital	_____	_____
8. Management Fees:		
a. Fees to Affiliates	_____	_____
b. Fees to Non-Affiliates	36,000	36,000
9. Other Expenses – Specify on separate page 11	313,282	332,435
Total Operating Expenses	\$ 1,466,989	\$ 1,538,478
E. Other Revenue (Expenses) -- Net (Specify)_____	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)	\$ _____	\$ _____
F. Capital Expenditures		
1. Retirement of Principal	\$ _____	\$ _____
2. Interest	_____	_____
Total Capital Expenditures	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)	\$ 73,832	\$ 130,745
LESS CAPITAL EXPENDITURES		

PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	<u>Year 2014</u>	<u>Year 2015</u>
1. Advertising	\$ 12,000	\$ 12,000
2. Benefits	154,877	162,621
3. Purchased Services	75,890	82,148
4. Recruitment	6,000	6,000
5. Travel	6,000	6,000
6. Repairs, Building, Equipment, Vehicle	13,140	14,235
7. Insurance	6,475	6,931
8. Utilities	36,500	40,000
9. Postage, Licenses, Vehicle tags, Resident Clothing, Resident awards, Bank Fees	<u>2,400</u>	<u>2,500</u>
Total Other Expenses	\$ 313,282	\$ 332,435

The applicant is projecting a 40% occupancy rate. Is there a need for 16 beds?

The applicant projects 2,190 patients in 2014. What is the census of patients needed to breakeven?

Why is there no provision for charity care or bad debt in the Projected Data Chart?

There is an expense for repairs in the amount of \$13,140 in Year One. Please clarify.

Why is bad debt expense not listed as a deduction for bad debt?

Please list other expenses.

RESPONSE: The applicant is projecting a lower and conservative patient occupancy rate of 40% out of a conservative need to show viability. The defined market area has an approximate population of 248,636 which includes 54,353 of over 65 years of age. To service this number of patients at 30 beds per 100,000 persons, we would need 16.5 adult geriatric psychiatric specific beds. The applicant has chosen the number of 16 beds. This number is less than the calculated need and represents the capacity for beds allowed by the layout of the renovated facility.

The applicant is projecting a conservative average daily census ("ADC") of 6.0 or 2,190 patient days for 2014 which produces a positive net income. The break even ADC for the unit will be between 4.5 and 5.0.

Bad debt for 2014 in the amount of \$49,000 is shown in D.8. of the application.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

Response: Average Gross Charge \$1,300
 Average Deduction \$ 575
 Average Net Charge \$ 725

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

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RESPONSE: There is no current history of charges to draw any comparison for the above charge master proposal. However, from the charges listed in the St. Thomas Hospital CON application, Project Number CN1101-003, Exhibit 11.b. dated January 2011, it is shown that Woodridge's projected charges are well below the comparative charges among St. Thomas' area providers which ranged from \$2,018.00 per day to \$1,710.00 per day.

Charges per day at the nearest GPU in Martin, TN show an average daily charge of \$1,150.00.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

RESPONSE: Woodridge's charges will be feasible if the actual admissions and patient days in the first year hit projected levels of 156 admissions at a 14 day ALOS or 2190 patient days which is a 6.0 ADC. Given the size of the population in Woodridge's service area, this should be an attainable first year budget and will grow over time as the unit builds a reputation for its geriatric psychiatric services.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

RESPONSE: Woodridge's viability is anchored in the overall financial stability of the company as a whole with no one facility capable of affecting the full financial performance of the company. The Jackson based GPU should only add to the success of the Company and the facility is projected to be at a positive cash flow level in the first year and beyond including the cost of capital for renovations and FF&E. Included in Attachment C "Cash Reserves" is a recent bank statement balance showing sufficient cash to build out and start up the unit. The company also maintains a line of credit with Pinnacle Bank which uses its accounts receivable as collateral. There is no outstanding balance on this account at this time.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

RESPONSE: The GPU will be accepting only elderly patients whose primary insurance provider is Medicare or a Medicare Advantage like product. Therefore, the complexity of its reimbursement cycle is limited to only one insurance provider. All other patients not covered by Medicare or eligible for coverage will not be an issue to this type of unit designed specifically for the over 65 population who predominantly have Medicare coverage or can be enrolled at the point of service.

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

RESPONSE: Audited Financial Statements for Woodridge Behavioral Care, LLC, parent company of Woodridge of West Tennessee, LLC, are provided in Attachment J labeled Economic Feasibility-10.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- a. A discussion regarding the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

RESPONSE: Alternatives to provide GPU services in Jackson, Tennessee are most efficiently done using the proposed model of renovating a current unoccupied wing of the

Madison Oaks facility. Other sites were evaluated, but all were lacking in key requirements that would have overcome the advantages of the proposed location. One building for sale nearby in Jackson has been recently renovated and would sell at a cost less than the proposed renovations; however, it was a stand alone building housing no other healthcare services, needed to be sprinkled and had no available space for any of the support and hotel services that can be efficiently provided by Madison Oaks to this unit.

Providing no service is not an acceptable alternative, since families routinely drive 50 to 100 miles one way to receive GPU services in Martin, Nashville or Memphis. Referring to outside agencies is just as undesirable for the same reasons.

Another alternative was to provide only outpatient services through an Intensive Outpatient Psychiatric day program. This program did not produce sufficient revenue for the costs that would be incurred. It will be a program for addition after the inpatient program is stable and able to help fund some of the costs of an IOP.

- b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

Response: New construction of a unit is not as financially feasible as using the existing building and a renovated wing to accommodate this service. New facility costs would have been in the range of \$250 per square foot, while this renovation can be done for under \$125 per square foot.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.) managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g. transfer agreements, contractual agreements for health services.

Response: Woodridge, upon receipt of CON, will develop relationships with West Tennessee Healthcare and Regional Hospital. Ancillary services will be provided by contractual arrangements and transfer agreements.

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

Response: Implementing a sixteen (16) bed inpatient Geriatric Psychiatric Program is a positive move for the local healthcare system. The proposed unit will not negatively impact the current system due to its inadequate Geriatric Psychiatric resources in the area.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTE's for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workplace Development and/or other documented sources.

	Day	Evening	Night	TN DOL	Woodridge
Executive Director	1	0	0		\$30.00
RN	1	1	1	\$29.16	\$30.00
Tech	2	2	1	\$10.72	\$11.00
LCSW	.5	0	0	\$18.34	\$27.00

Response:

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

Response: Woodridge Madison Oaks where the GPU will be located has not had any issues with recruitment of professional staff. The proposed service area has four universities and two community colleges. Professional and non-professional personnel have shown interest in the new program, therefore we do not see recruiting or retention of staff being a problem.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

Response: Woodridge is aware and understands the licensing and certification as required by the State of Tennessee for medical and clinical staff.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g. internships, residencies, etc.)

Response: Upon granting of the CON, Woodridge will work closely with the universities and community colleges to provide any needed volunteer opportunities which will fit both the needs of the GPU and students.

- 7.(a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

Response: Woodridge has reviewed the Department of Mental Health and Medicare program requirements and fully understands all requirements and laws.

- 7.(b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Response:

Licensure: Woodridge will seek licensure from the Department of Mental Health

Accreditation: Woodridge will seek accreditation from JCAHO

- 7.(c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

Response: N/A

- 7.(d) For existing licensed providers,, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

Response: N/A

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

Response: N/A

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project.

- Response:** N/A
10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

Response: Woodridge will provide the Tennessee Health Services and Development Agency or any reviewing agency information and data as required.

ATTACHMENTS

- A. Woodridge Corporation Documents**
- B. Woodridge Ownership**
- C. Economic Feasibility -2 • Cash Reserves**
- D. Land Deed**
- E. Land Plot**
- F. Facility Diagram**
- G. Service Area Map**
- H. CFO Letter**
- I. Woodridge Hospital Financials**
- J. Audited Financials**
- K. Proof of Publication**
- L. Letter of Support**

Attachment C

Cash Reserves Section Economic Feasibility 2



September 30, 2013

Primary Account Number:
Statement Period:

5620230

06-29-2013 to 07-31-2013

11:58am

150 3rd Avenue South • Suite 900 • Nashville, TN 37201

Page 1

Bank Statement as of 07-31-2013

*****AUTO**3-DIGIT 371
8173 0.4726 AT 0.384 28 1 23Woodridge Behavioral Care LLC
162 Cude Lane
Madison TN 37115-2202

Deposits and Investments

Account #	Description	Balance
5620230	Zenith MM Business Account	\$1,200,106.36

Electronic Statements: Increased Convenience and Security
E-Statements give you the convenience of accessing your statements at any time with the added security of password protection. You won't have to worry about the security of your mail or delivery mistakes. Signing up is easy when you login to online banking at www.pnfp.com and go to "User Services."

Zenith Mm Business No. 5620230

Total Number of Checks: 0

Beginning Balance on 06-28-2013	\$1,200,133.48
Deposits/Credits	\$106.36
Checks/Withdrawals	\$133.48
Ending Balance on 07-31-2013	\$1,200,106.36

Average Balance This Statement	\$1,200,093.03	Annual Percentage Yield Earned	0.10%
Interest Earned This Period	\$106.36	Days in Period	33
Interest Paid Year-to-Date	\$945.90	Interest Paid	\$106.36



September 30, 2013

11:58am

H Neil Campbell <ncampbell@woodridgecare.com>
To: John Lewis <sjlewis3@yahoo.com>
Fwd: CON Letter

September 11, 2013 2:13 PM

1 Attachment, 17 KB

Here you go!

Neil

Begin forwarded message:

From: Jan McGaughy <jmcgaughy@woodridgecare.com>
Subject: CON Letter
Date: September 11, 2013 1:48:51 PM CDT
To: Neil Campbell <ncampbell@woodridgecare.com>



September 11, 2013

Health Services and Development Agency
Frost Building, 3rd floor
161 Rosa L Parks Blvd.
Nashville, TN 37243

To Whom It May Concern:

Please accept this letter as verification that Woodridge has the necessary financial resources to cover the implementation of the CON project.

Thank you for your time in considering our CON application.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. Neil Campbell", is written over a horizontal line.

H. Neil Campbell

Attachment

September 24, 2013


Mr. H. Neil Campbell
Woodridge Behavioral Care, LLC
162 Cude Lane
Madison, TN 37115

Dear Neil,

This letter will serve to confirm that Woodridge Behavioral Care, LLC, has a \$1,500,000 Working Capital Line of Credit available at Pinnacle Bank. Subject only to the Terms and Conditions of the Credit Agreement dated August 1, 2011, proceeds from the Line of Credit may be used to meet the working capital needs of Woodridge Behavioral Care and its subsidiaries. Woodridge Behavioral Care, LLC, is in compliance with all Terms and Conditions of the Credit Agreement.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Allison H. Jones
Senior Vice President
Pinnacle Bank

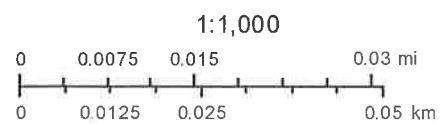
Attachment E

Land Plot

Section B: Question III

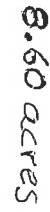


September 29, 2013

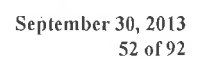


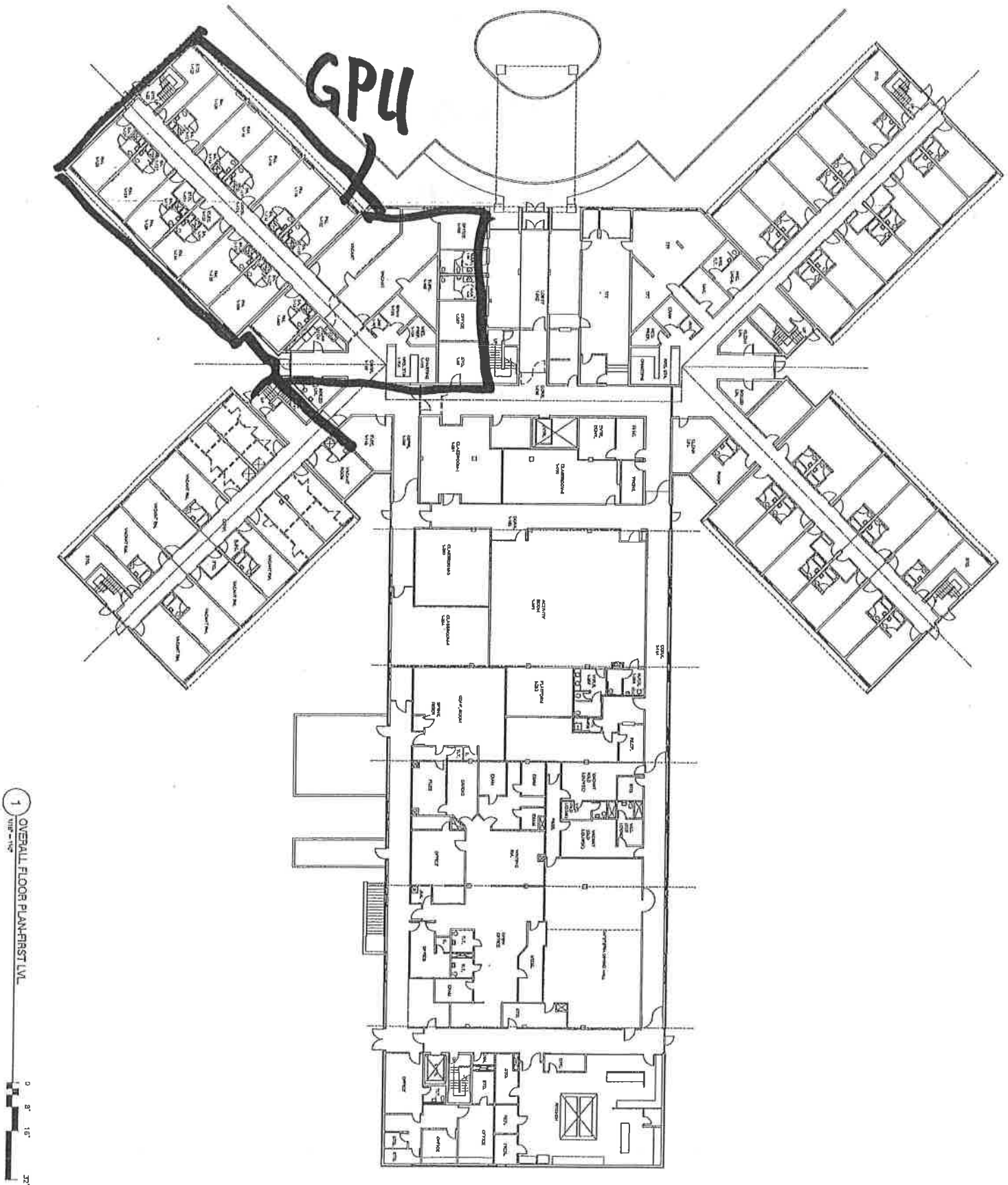
FEMA
OIR-GIS Services

1011 E. Main St., Box 678, Fort
Tucker, Va. 22634
Tel: 703-941-1111



- Woodridge of West Tennessee, LLC
COA Application 1309-035 - Response Exhibits to 2nd Supplemental Questions

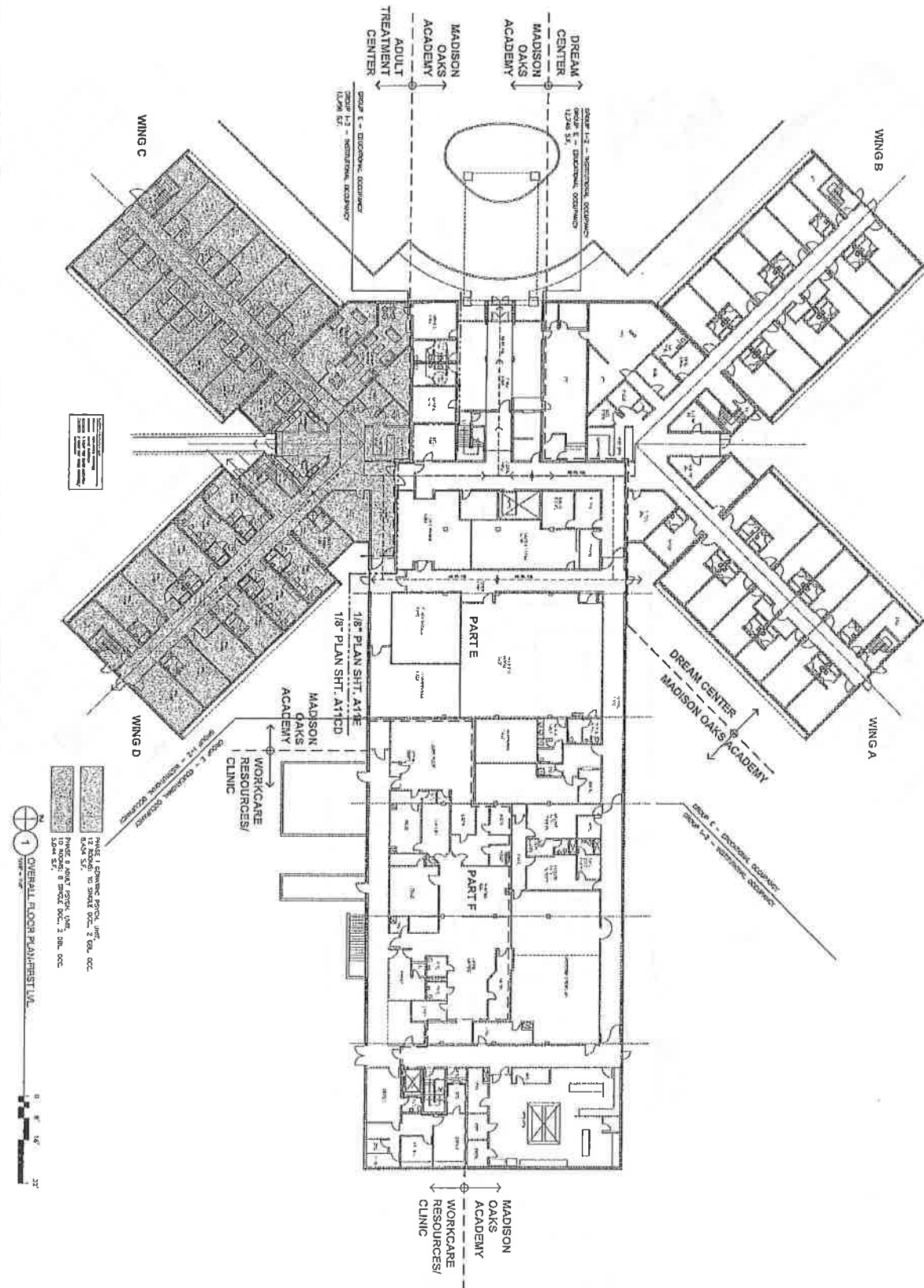




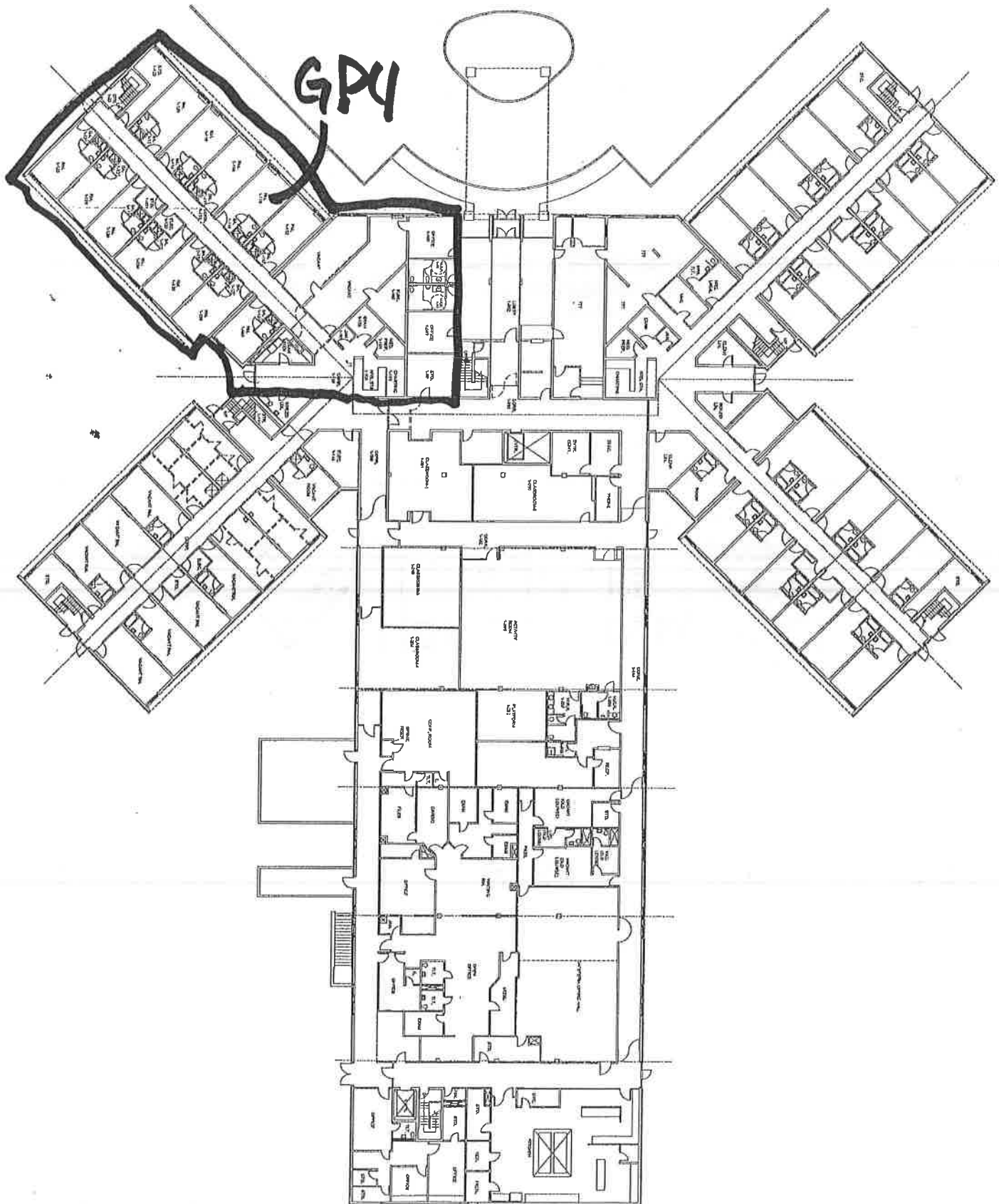
Attachment F

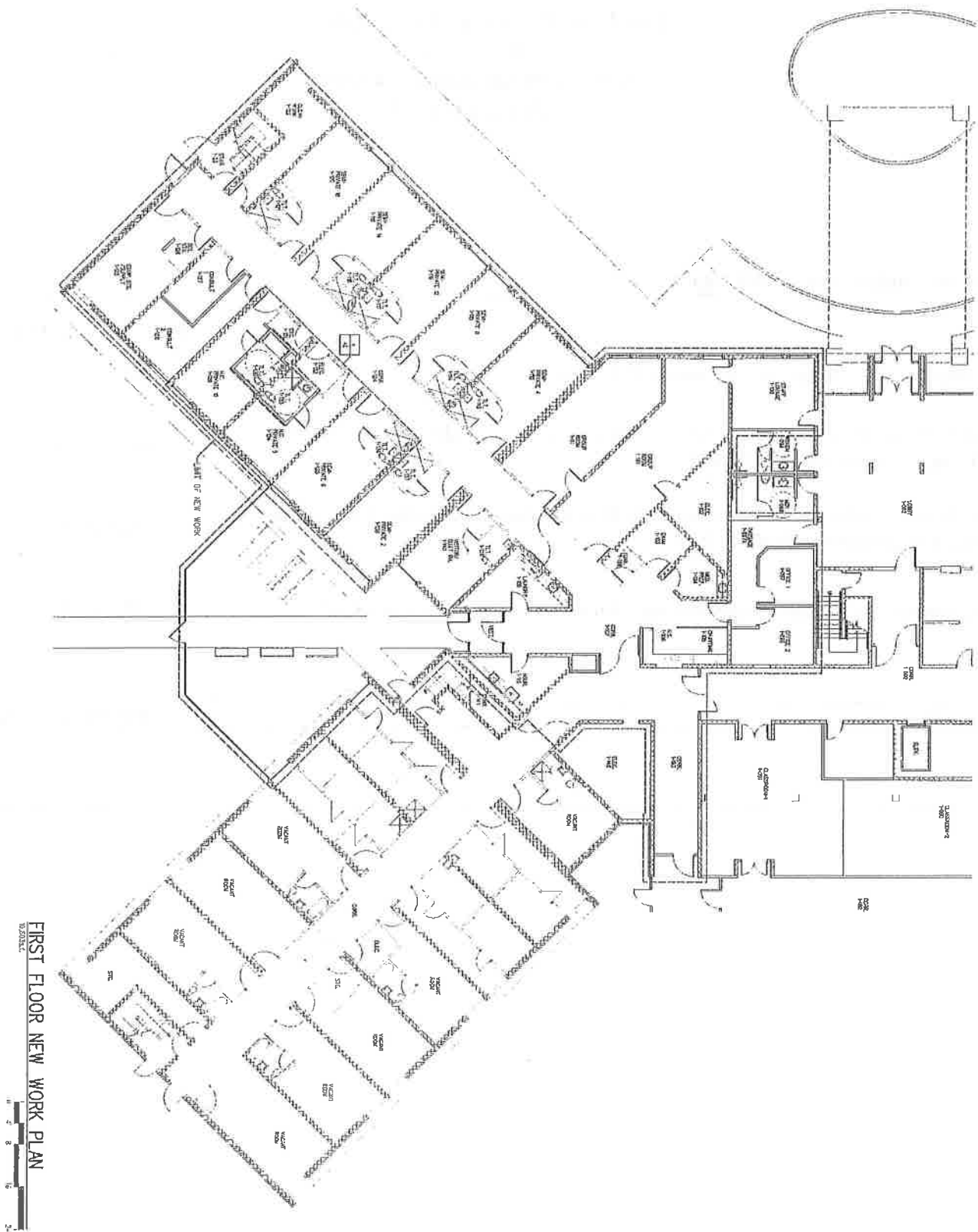
Facility Diagram

Section B: IV



 <p>Anderson Breiher Architects 2000 Madison Avenue Nashville, TN 37203</p>			<p>Madison Oaks Treatment Center Ameris Health Systems Residential C+D Wing Renovation</p> <p>49 Old Hickory Blvd. Jackson, TN 38305</p>	<p>20 December 2012 C.O.M. Schematic</p> <p>ASA 1118</p> <p>Overall Floor Plan First Lvl.</p> <p>Sheet A1.1</p>
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Madison Oaks Treatment Center

Jackson, TN

Preliminary Construction Budget

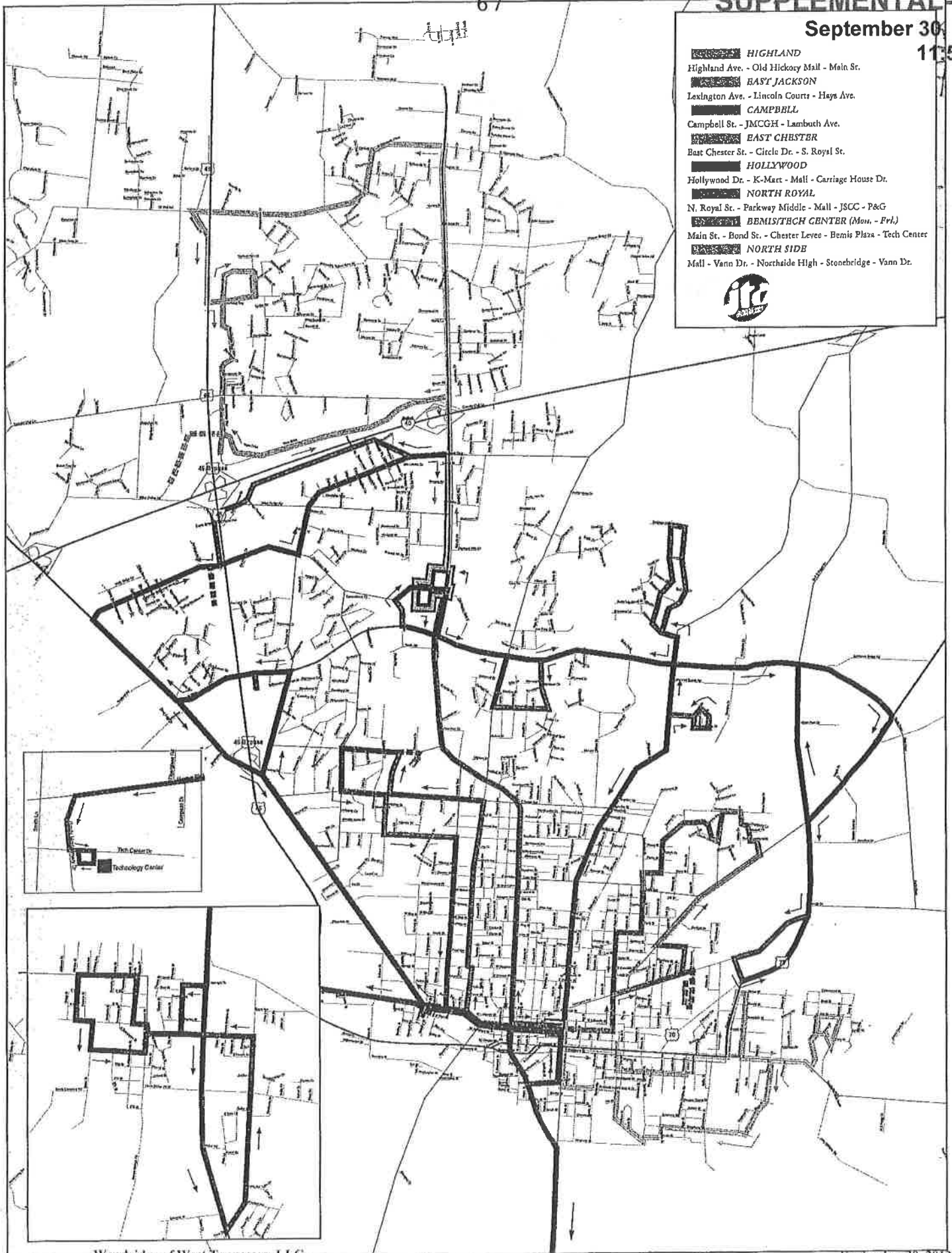
February 8, 2013

Potential Construction Cost Range

	Low Range	High Range
Lobby area (3,400 sf) - Cosmetic Upgrades at \$40 - \$55/sf	\$ 136,000	\$ 187,000
Wing D (5,054 sf) - New bathrooms, PTAC units, and cosmetic upgrades. Construction cost should range between \$95/sf to \$115/sf	\$ 480,130	\$ 581,210
Wing C (5,044 sf) - Add central shower room, PTAC units, cosmetic upgrades. Construction cost should range between \$65/sf to \$90/sf	\$ 328,510	\$ 454,860
Site improvements (Courtyard between wings - Aluminum fence, awning, light landscaping)	\$ 45,000	\$ 75,000
TOTAL Project	\$ 989,640	\$ 1,298,070

September 30, 2013

11:58am

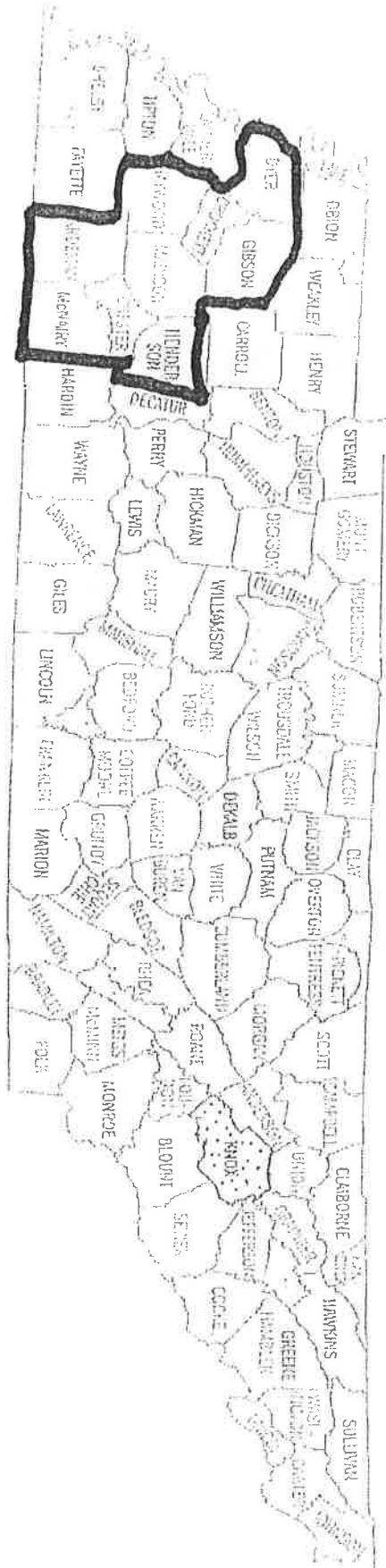


Attachment G

Service Area Map

Section C: General Criteria for CON Question: E3

Tennessee County Map



Attachment H

Section C: Economic Feasibility Question: 1-A

CFO LETTER

H Neil Campbell <ncampbell@woodridgecare.com>
 To: John Lewis <sjlewis3@yahoo.com>
 Fwd: CON Letter

September 11, 2013 2:13 PM

1 Attachment, 17 KB

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H. Neil Campbell

Attachment



Primary Account Number:
Statement Period:

September 30, 2013

5620230

11:58am

06-29-2013 to 07-31-2013

Page 1

150 3rd Avenue South • Suite 900 • Nashville, TN 37201

Bank Statement as of 07-31-2013

*****AUTO**3-DIGIT 371
8173 0.4726 AT 0.384 28 1 23



Woodridge Behavioral Care LLC
162 Cude Lane
Madison TN 37115-2202

Deposits and Investments

Account #	Description	Balance
5620230	Zenith MM Business Account	\$1,200,106.36

Electronic Statements: Increased Convenience and Security
E-Statements give you the convenience of accessing your statements at any time with the added security of password protection. You won't have to worry about the security of your mail or delivery mistakes. Signing up is easy when you login to online banking at www.pnfp.com and go to "User Services."

Zenith Mm Business No. 5620230

Total Number of Checks: 0

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Deposits/Credits		\$106.36
Checks/Withdrawals		\$133.48
Ending Balance on 07-31-2013		\$1,200,106.36
Average Balance This Statement	\$1,200,093.03	Annual Percentage Yield Earned 0.10%
Interest Earned This Period	\$106.36	Days in Period 33
Interest Paid Year-to-Date	\$945.90	Interest Paid \$106.36



Woodridge of West Tennessee, LLC

Pinnacle Bank Anytime (866) 755-5428 • Client Service Center (800) 264-3613 • www.pnfp.com

MEMBER
FDIC
September 30, 2013
62 of 92

Attachment I

Section C: Economic Feasibility Question: 8

Financials

12:02 PM
09/09/13
Accrual Basis

WoodRidge Behavioral Care, LLC
Combined Summary Balance Sheet
As of July 31, 2013

SEP 30 '13 AM 11:50

	<u>TOTAL</u>
ASSETS	
Current Assets	
Checking/Savings	1,576,215
Accounts Receivable	1,773,570
Other Current Assets	<u>222,553</u>
Total Current Assets	<u>3,572,337</u>
Fixed Assets	10,952,518
Other Assets	<u>8,212,215</u>
TOTAL ASSETS	<u><u>22,737,071</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	550,582
Other Current Liabilities	<u>1,640,497</u>
Total Current Liabilities	<u>2,191,079</u>
Long Term Liabilities	<u>7,315,097</u>
Total Liabilities	<u>9,506,176</u>
Equity	<u>13,230,894</u>
TOTAL LIABILITIES & EQUITY	<u><u>22,737,071</u></u>

12:31 PM
09/09/13
Accrual Basis

75

WoodRidge Behavioral Care, LLC
Combined Profit And Loss
January through July 2013

SUPPLEMENTAL- # 1
September 30, 2013
11:58am

	<u>TOTAL</u>
Ordinary Income/Expense	
Total Income	<u>13,531,223</u>
Gross Profit	<u>13,531,223</u>
Expense	
Total 7000 . Gross Salaries	7,329,560
Total 7050. Employee Benefits	1,350,685
Total 7100. Professional Fees	492,575
Total 7200. Advertising & Marketing	10,637
Total 7300. Purchase Services	604,483
Total 7380. Recruitment & Relocation	41,371
Total 7400. Food and Supplies	598,873
Total 7500. Travel & Entertainment	167,016
Total 7650. Repair and Maintenance	116,398
Total 7680. Rent/Lease	453,215
Total 7600. Utilities	344,439
Total 7650. Insurance	100,758
Total 7680. Bad Debt Expense	22,924
Total 7700. Property Taxes	41,110
Total 7900. Other Operating Expenses	117,819
Total Expense	<u>11,791,862</u>
Net Ordinary Income	<u>1,739,362</u>
Other Income/Expense	
Total Other Income	<u>1,075</u>
Total Other Expense	<u>662,341</u>
Net Other Income	<u>(661,267)</u>
Net Income	<u><u>1,078,095</u></u>

Attachment J

Section C: Econmic Feasibility Question: 10

Audited Financials

**WOODRIDGE BEHAVIORAL CARE,
LLC AND SUBSIDIARIES**

Consolidated Financial Statements

December 31, 2012

(With Independent Auditors' Report Thereon)



LATTIMORE BLACK MORGAN & CAIN, PC
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

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LATTIMORE BLACK MORGAN & CAIN, PC
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

The Members

Woodridge Behavioral Care, LLC and Subsidiaries:

We have audited the accompanying consolidated financial statements of Woodridge Behavioral Care, LLC and Subsidiaries (collectively the "Company"), which comprise the consolidated balance sheet as of December 31, 2012, and the related consolidated statements of operations, changes in members' equity and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Woodridge Behavioral Care, LLC and Subsidiaries as of December 31, 2012, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Lattimore Black Morgan & Cain, PC

Brentwood, Tennessee
March 22, 2013

Consolidated Balance Sheet

December 31, 2012

Assets

Current assets:	
Cash	\$ 1,291,915
Accounts receivable, less allowance for doubtful accounts of \$137,482	2,158,129
Other receivables	104,871
Prepaid expenses	<u>96,607</u>
Total current assets	3,651,522
 Property and equipment, net	 10,818,162
Goodwill	7,600,000
Loan costs, net of accumulated amortization of \$34,716	188,128
Other assets	<u>263,868</u>
	<u>\$ 22,521,680</u>

Liabilities and Members' Equity

Current liabilities:	
Current installments of long-term debt	\$ 581,676
Accounts payable	452,940
Accrued expenses	<u>1,317,918</u>
Total current liabilities	2,352,534
 Long-term debt, excluding current installments	 <u>7,654,408</u>
Total liabilities	10,006,942
 Members' equity	 <u>12,514,738</u>
	<u>\$ 22,521,680</u>

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Operations

Year ended December 31, 2012

Revenue:	
Net patient revenues before provision for doubtful accounts	\$ 21,813,233
Provision for doubtful accounts	<u>(129,157)</u>
Net revenue	<u>21,684,076</u>
Total operating expenses:	
Salaries and benefits	14,629,971
Purchased services	816,108
Supplies	282,232
Rent	428,582
Depreciation and amortization	705,871
Travel and entertainment	247,502
Professional services	1,034,588
Repairs and maintenance	293,942
Other expenses	<u>1,675,932</u>
Total operating expenses	<u>20,114,728</u>
Income from operations	1,569,348
Interest expense, net	<u>(224,264)</u>
Net earnings from continuing operations	1,345,084
Loss from discontinued operations	<u>(59,959)</u>
Net earnings	<u>\$ 1,285,125</u>

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Changes in Members' Equity

Year ended December 31, 2012

	<u>Member Contributions</u>	<u>Retained Earnings (Deficit)</u>	<u>Total Members' Equity</u>
Balance at December 31, 2011	\$ 11,985,960	\$ (166,520)	\$ 11,819,440
Distributions to members	-	(589,827)	(589,827)
Net income	-	<u>1,285,125</u>	<u>1,285,125</u>
Balance at December 31, 2012	<u>\$ 11,985,960</u>	<u>\$ 528,778</u>	<u>\$ 12,514,738</u>

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

Year ended December 31, 2012

Cash flows from operating activities:	
Net earnings	\$ 1,285,125
Adjustments to reconcile net earnings to net cash provided by operating activities:	
Depreciation and amortization	712,796
Provision for doubtful accounts	129,157
Loss on disposal of property and equipment	6,757
(Increase) decrease in operating assets:	
Receivables	(666,047)
Prepaid expenses	243,447
Other assets	(326,766)
Increase (decrease) in operating liabilities:	
Accounts payable	(123,263)
Accrued expenses	190,782
Total adjustments	166,863
Net cash provided by operating activities	1,451,988
Cash flows from investing activities - purchases of property and equipment	(2,773,743)
Cash flows from financing activities:	
Proceeds from long-term debt	3,225,000
Payments of long-term debt	(366,672)
Distributions to members	(589,827)
Net cash provided by financing activities	2,268,501
Increase in cash	946,746
Cash at beginning of year	345,169
Cash at end of year	\$ 1,291,915

See accompanying notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

December 31, 2012

(1) Nature of operations

Woodridge Behavioral Care, LLC and Subsidiaries (collectively, the "Company" or "Woodridge") was formed on June 24, 2011 to provide comprehensive psychiatric treatment to children and adolescents. The Company currently serves patients in Arkansas, Missouri and Tennessee. The Company's corporate office is located in Madison, Tennessee.

(2) Summary of significant accounting policies

(a) Principles of consolidation

These consolidated financial statements include the accounts of all of the Company's wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

(b) Accounts receivable

The Company receives payment for services rendered from federal and state agencies (including Medicaid or other state programs), private insurance carriers, managed care programs and patients. The Company states patient accounts receivable for services rendered at net realizable amounts. The Company manages receivables by regularly reviewing its accounts and contracts and by providing appropriate allowances for uncollectible amounts. The Company records an allowance for uncollectible accounts on a weighted scale based on days outstanding. As a service to the patients, Woodridge bills third-party payers directly and bills the patients when the patient's liability is determined. Patient accounts receivable are due in full when billed. Delinquent accounts are turned over to a third party collection agency, and any subsequent recoveries are recognized in the period received.

(c) Property and equipment

Property and equipment are stated at cost or the value on the date of contribution. Depreciation and amortization are provided over the assets' estimated useful lives using the straight-line method. Leasehold improvements are amortized over the shorter of their estimated lives or the respective lease term. Buildings and improvements are generally depreciated over thirty years while automobiles and furniture and fixtures are generally depreciated over five years.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation or amortization are removed from the accounts, and the resulting gain or loss is included in operations.

Notes to the Consolidated Financial Statements

December 31, 2012

(d) Goodwill

The Company reviews goodwill for impairment on an annual basis or more frequently if impairment indicators arise. In the event goodwill is considered to be impaired, a charge to earnings would be recorded during the period in which management makes such impairment assessment.

(e) Loan costs

Loan costs are amortized on a straight-line basis over the term of the related loans.

(f) Investment in joint venture

Other assets include an investment of \$258,333 in a joint venture. The Company accounts for its investment using the equity method. Under the equity method, the investment is initially recorded at cost and is increased or decreased by the Company's share of the net earnings or losses since acquisition. The carrying value is reduced by any distributions received from the joint venture.

(g) Net patient service revenue

Substantially all revenues of the Company are derived from comprehensive psychiatric treatment to residential, inpatient and outpatient patients. It is the Company's policy to recognize revenues as services are provided to patients. In accordance with professional standards, revenues are reported at the estimated net realizable amount from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future period as final settlements are determined.

The Company has also entered into payment agreements with certain commercial insurance carriers and preferred provider organizations. The basis for payment to the Company under these arrangements includes global payment rates, prospectively-determined rates per patient day and discounts from established charges.

(h) Income taxes

The Company is organized as a limited liability company and is taxed as a partnership for federal and state income tax purposes. Under federal and state income tax provisions, the Company is not subject to income taxes on its taxable income. Instead, the Company's income and loss pass through to the members and are taxed at the individual level. Certain subsidiaries in Arkansas, Missouri and Tennessee, however, are subject to various state income taxes. State income taxes are not material to the Company.

Notes to the Consolidated Financial Statements

December 31, 2012

Under generally accepted accounting principles, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax purposes not meeting the "more likely than not" test, no tax benefit is recorded. The Company has no material uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements.

As of December 31, 2012, the Company has accrued no interest and no penalties related to uncertain tax positions. It is the Company's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Company files U.S. Federal and various state income tax returns. The Company is currently open to audit under that statute of limitations by the Internal Revenue Service and various states for the periods ended December 31, 2011 through 2012.

(i) Advertising costs

Advertising costs are expensed as incurred.

(j) Equity incentive compensation

The Company has a unit option plan, which is described more fully in Note 13. Equity based compensation cost is measured at the grant date based upon the fair value of the award and is recognized as expense on a straight line basis over the requisite service period, which is generally the vesting period.

(k) Realization of long-lived assets

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

(l) Use of estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to the Consolidated Financial Statements

December 31, 2012

(m) Adoption of new accounting pronouncements

In July 2011, the Financial Accounting Standards Board ("FASB") issued accounting standards that require changes in financial statement presentation and enhanced disclosures by health care entities that recognize significant amounts of patient service revenue at the time services are rendered without taking account of patients' ability to pay. These standards require health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, these entities will be required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. These standards are effective for fiscal years ending after December 15, 2012, and therefore the Company adopted these standards at the beginning of 2012.

(n) Fair value measurements

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). The Company does not have any fair value measurements using significant unobservable inputs (Level 3) as of December 31, 2012.

(o) Events occurring after reporting date

The Company has evaluated events and transactions that occurred between December 31, 2012 and March 22, 2013, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements and determined no additional disclosures were necessary.

(3) Credit risk and other concentrations

The Company may maintain cash on deposit at banks in excess of federally insured amounts. The Company has not experienced any losses in such accounts and management believes the Company is not exposed to any significant credit risk related to cash.

The Company grants credit without collateral to its patients, most of whom are individuals that are insured under third-party payor agreements. Substantially all of the Company's revenues and accounts receivable were from participation in Medicaid and other state programs.

Notes to the Consolidated Financial Statements

December 31, 2012

(4) Investment in joint venture

During 2012, the Company entered into a joint venture with other investors to own and operate a real estate entity. The Company contributed approximately \$258,000 in cash to the joint venture during 2012 for an ownership interest of approximately 33% as of December 31, 2012. The joint venture used the contributions by investors to purchase real estate in Arkansas.

Summary information for the real estate entity as of December 31, 2012 and for the year then ended, is as follows:

Total assets	\$ 834,820
Total liabilities	\$ 65,417
Net earnings (loss)	\$ (5,597)

On January 30, 2013, the real estate entity obtained debt financing in the amount of \$7,500,000 to construct a facility that will be leased to the Company under an operating lease. The Company guaranteed 100% of the debt. Based on this guarantee, the real estate entity will be consolidated in the Company's consolidated financial statements beginning on January 30, 2013, the date of the guarantee, in accordance with FASB Codification 810, *Variable Interest Entities*. As of January 30, 2013, the date of consolidation, approximate summary financial information for the joint venture is as follows:

Total assets	\$ 801,000
Non-controlling interest	\$ 534,000

The Company has a receivable of approximately \$63,000 at December 31, 2012 from the joint venture which is included in other receivables within the accompanying consolidated balance sheet. The receivable was paid in full in February 2013.

(5) Property and equipment

A summary of property and equipment as of December 31, 2012 is as follows:

Land	\$ 595,000
Buildings and improvements	9,263,814
Leasehold improvements	1,042,316
Transportation equipment	183,421
Furniture and fixtures	435,477
Construction in progress	258,898
	11,778,926
Less accumulated depreciation	960,764
	<u>\$ 10,818,162</u>

Construction in progress at December 31, 2012 consists primarily of renovations to one of the facilities. Estimated costs to complete this project amount to approximately \$38,000 at December 31, 2012.

Notes to the Consolidated Financial Statements

December 31, 2012

(6) Line of credit

The Company has a \$1,500,000 line of credit available with a bank at December 31, 2012. No borrowings were outstanding under the line of credit at December 31, 2012. Borrowings under the line of credit bear interest, payable monthly, at an annual interest rate equal to 30-day LIBOR plus 300 basis points, with a floor of 4.00% (4.00% at December 31, 2012) and matures in September 2013. The line of credit is secured by substantially all assets of the Company and places certain restrictions and limitations upon the Company (see Note 7).

(7) Long-term debt

A summary of long-term debt as of December 31, 2012 is as follows:

Term loan to bank; interest at an annual rate equal to 30-day LIBOR plus 300 basis points, with a floor of 4.00% (4.00% at December 31, 2012); monthly principal payments of \$30,556 plus accrued interest with all unpaid principal and interest due September 2016; secured by substantially all assets of the Company.	\$ 5,011,084
Term loan to bank; interest at an annual rate equal to 30-day LIBOR plus 300 basis points, with a floor of 4.00% (4.00% at December 31, 2012); monthly principal payments of \$17,917 plus accrued interest with all unpaid principal and interest due November 2017; secured by substantially all assets of the Company.	<u>3,225,000</u>
Total long-term debt	8,236,084
Less current installments	<u>581,676</u>
Long-term debt, excluding current installments	\$ <u>7,654,408</u>

A summary of approximate future maturities of long-term debt as of December 31, 2012, is as follows:

<u>Year</u>	
2013	\$ 581,676
2014	581,676
2015	581,676
2016	4,126,072
2017	<u>2,364,984</u>
	\$ <u>8,236,084</u>

The provisions of the line of credit (see Note 6) and the long-term debt require the maintenance of certain financial ratios.

Notes to the Consolidated Financial Statements

December 31, 2012

(8) Employee benefit plan

The Company sponsors a 401(k) plan covering substantially all employees. Company contributions are made at management's discretion. The Company contributed approximately \$66,000 to the plan in 2012.

(9) Income taxes

Deferred income taxes are provided for the temporary differences between the financial reporting basis and tax basis of the Company's assets and liabilities. At December 31, 2012, the Company has approximately \$2,500,000 of Tennessee state net operating losses available to offset future taxable income. The net operating loss carryforwards begin to expire in 2022. Deferred tax assets of approximately \$165,000 at December 31, 2012, which relate to the net operating losses, have not been reflected within the accompanying consolidated balance sheet due to the establishment of a full valuation allowance. The valuation allowance was established to reduce the deferred income tax assets to the amount that will more likely than not be realized. This reduction is provided due to the uncertainty of the Company's ability to utilize the net operating loss carryforwards before they expire.

(10) Lease commitments

The Company utilizes various office space and equipment under operating leases. Rent expense under these leases amounted to approximately \$429,000 in 2012. A summary of approximate future minimum payments under these leases as of December 31, 2012 is as follows:

<u>Year</u>	
2013	\$ 210,000
2014	133,000
2015	<u>1,000</u>
	<u>\$ 344,000</u>

(11) Discontinued operations

Generally accepted accounting principles require that all components of an entity that have been disposed of (by sale, by abandonment or in a distribution to owners) or are held for sale and whose cash flows can be clearly distinguished from the rest of the entity be presented as discontinued operations. On October 31, 2012, the Company closed its South Carolina facility. The results of operations for this facility have been reported as discontinued operations within the accompanying consolidated statement of operations.

Notes to the Consolidated Financial Statements

December 31, 2012

(12) Contingent liabilities

General liability

The Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on these consolidated financial statements.

Healthcare Industry

The delivery of personal and health care services entails an inherent risk of liability. Participants in the health care services industry have become subject to an increasing number of lawsuits alleging negligence or related legal theories, many of which involve large claims and result in the incurrence of significant exposure and defense costs. The Company and its subsidiaries are insured with respect to medical malpractice risk on a claims-made basis. The Company also maintains insurance for general liability, director and officer liability and property. Certain policies are subject to deductibles. In addition to the insurance coverage provided, the Company indemnifies certain officers and directors for actions taken on behalf of the Company and its subsidiaries. Management is not aware of any claims against the Company or its subsidiaries which would have a material financial impact.

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare fraud and abuse. Recently, government activity has increased with respect to investigations and/or allegations concerning possible violations of fraud and abuse statutes and/or regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient services previously billed. Management believes that the Company is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

Healthcare Reform

In March 2010, Congress adopted comprehensive health care insurance legislation, the Patient Care Protection and Affordable Care Act and the Health Care and Education Reconciliation Act ("collectively, the "Health Care Reform Legislation"). The Health Care Reform Legislation, among other matters, is designed to expand access to health care coverage to substantially all citizens through a combination of public program expansion and private industry health insurance. Provisions of the Health Care Reform Legislation become effective at various dates over the next several years and a number of additional steps are required to implement these requirements. Due to the complexity of the Health Care Reform Legislation, reconciliation and implementation of the legislation continues to be under consideration by lawmakers, and it is not certain as to what changes may be made in the future regarding health care policies. Changes to existing Medicaid coverage and payments are also expected to occur as a result of this legislation. While the full impact of Health Care Reform Legislation is not yet fully known, changes to policies regarding reimbursement, universal health insurance and managed competition may materially impact the Company's operations.

Notes to the Consolidated Financial Statements

December 31, 2012

(13) Unit option plan

On August 1, 2011, 72,000 unit options were issued under the Woodridge Behavioral Care LLC 2011 Unit Option Plan (the "Plan") and became fully vested at this date. The Plan is designed to promote the interest and long-term success of the Company by granting non-voting unit options to selected employees. The Plan is administered by the Company and 100,000 non-voting unit options are available to be issued. Under the Plan, the Company has the sole discretion to grant unit options with exercise prices determined at the time of grant but not less than the fair market value of the units at the date of grant. The unit option term and vesting period will be determined at the date of grant. At December 31, 2012, the weighted-average exercise price of the outstanding units was approximately \$2.00. No compensation costs were incurred in 2012 associated with these units as all units were fully vested in 2011.

(14) Supplemental disclosures of cash flow statement information

Interest paid

\$ 212,439

Attachment L

Letters of Support

September 30, 2013

11:58am



121 EAST MAIN STREET, SUITE 301
P.O. Box 2508
JACKSON, TENNESSEE 38302-2508

TELEPHONE: 731-425-8240
FAX: 731-425-8605
E-MAIL: JGIST@CITYOFJACKSON.NET

City of Jackson

JERRY GIST
MAYOR

August 27, 2013

Ameris Acquisitions, LLC
Attn: John Lewis
1114 17th Avenue South
Suite 205
Nashville, TN 37212

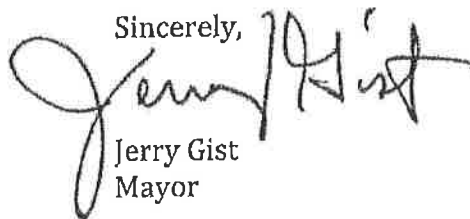
To whom it may concern:

I am writing in support of your application for a certificate of need being presented for a geriatric psychological center for Jackson, Tennessee. The application, being presented by Ameris Acquisitions, LLC, will bring a much needed service to Jackson/Madison County and surrounding region for these services.

Currently, patients and their families are subject to travel long distances (over 50 miles) to admit their family member for these services. Often there are no beds available at these facilities, requiring even further travel or delay in treatment. This creates a hardship for the patient as well as their caregiver.

Having this new center in Jackson will provide timely and convenient access to this vital care for seniors who are experiencing psychological issues. It will also greatly reduce the expense and burden of transport to and from the facility for their caregivers.

Sincerely,



Jerry Gist
Mayor

JG/blm



SOUTHWEST TENNESSEE DEVELOPMENT DISTRICT • 27 CONRAD DRIVE, SUITE 150 • JACKSON, TN 38305
TEL: 731-668-6967 • FAX: 731-668-6438 • www.SWTDD.ORG

June 28, 2013

Ameris Acquisitions, LLC
ATTN: John Lewis
1114 17th Avenue South
Suite 205
Nashville, TN 37212

Dear Sirs:

I am writing on behalf of the Southwest Tennessee Area Agency on Aging & Disability in support of your application being submitted for a Geriatric Psychological Center for Jackson, Tennessee. The application being presented by Ameris Acquisitions, LLC, will bring a much needed service to Jackson/Madison county and the surrounding area. Currently patients and their caregivers are subject to travel a distance of approximately 50 miles to admit their loved ones for services. As a planning and service agency, I have seen the hardship it often places on both the client and the caregiver.

Having this center in Jackson will provide both timely and convenient access to this vital care for our seniors who deal with psychological issues and reduce the expense and burden of transport to and from a facility for caregivers.

Sincerely,

A handwritten signature in black ink, appearing to read "Wanda Simmons".

Wanda Simmons, Director
Southwest Area Agency on Aging & Disability
102 E. College Street
Jackson, TN 38301
731 668 6403

Serving CHESTER DECATUR HARDEMAN HARDIN HAYWOOD HENDERSON MADISON MCNAIRY Counties in Southwest Tennessee

Southwest Tennessee Development District 731-668-6967 or I&A for all other Tennessee Districts 1-866-836-6678
Speech or Hearing Impaired call TN Relay Center -- TTY 1-800-848-0298 or Voice 1-800-848-0299



196 Cheyenne Drive
Jackson, TN 38305
Phone 731-984-7062

Ameris Acquisitions, LLC
Attn: John Lewis
1114 17th Avenue South
Suite 205
Nashville, TN 37212

June 26, 2013

Dear Sirs:

As a local senior care business owner, I am writing in support of your application being presented for a Geriatric Psychological Center for Jackson, TN. The application, being presented by Ameris Acquisitions, LLC, will bring a much needed service to Jackson and surrounding region for these services. Currently patients and their families are subject to travel long distances to admit their family member for these services. Often there are no beds available at these facilities, requiring even further travel or delay in treatment. This creates a hardship for the patient as well as their caregiver.

Having this new center in Jackson will provide timely and convenient access to this vital care for seniors who are experiencing psychological issues. It will also greatly reduce the expense and burden of transport to and from the facility for their caregivers. I can attest first-hand to the need we have first this type of service in the Jackson area and would love to see this become a reality. If I can be of further service to you in any way, please call me at 731-984-7062.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bryson McQuiston', is written over a horizontal line.

Bryson McQuiston
Franchise Owner

The following two (2) letters are from Elmcroft Nursing Facility

Ameris Acquisitions, LLC
Attn: John Lewis
1114 17th Avenue South
Suite 205
Nashville, TN 37212

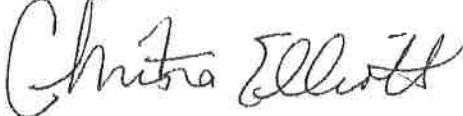
June 30, 2013

Dear Sirs:

I am writing in support of your application being presented for a Geriatric Psychological Center for Jackson TN. The application, being presented by Ameris Acquisitions, LLC, will bring a much needed service to Jackson / Madison county and surrounding region for these services. Currently patients and their families are subject to travel long distances, (over 50 miles), to admit their family member for these services. Often there are no beds available at these facilities, requiring even further travel or delay in treatment. This creates a hardship for the patient as well as their caregiver

Having this new center in Jackson will provide timely and convenient access to this vital care for seniors who are experiencing Psychological issues. It will also greatly reduce the expense and burden of transport to and from the facility for their caregivers.

Sincerely,



Title: Business Office Coordinator

September 30, 2013

11:58am

Jeff Nelson <jeffleelson@gmail.com>
To: sam lewis <sjlewis3@yahoo.com>
Support letters from Elmcroft

September 10, 2013 3:46 PM

2 Attachments, 1.1 MB

Here you go!

Jeff Nelson
731.803-0823
jeffleelson@gmail.com

Ameris Acquisitions, LLC
Attn: John Lewis
1114 17th Avenue South
Suite 205
Nashville, TN 37212

June 30, 2013

Dear Sirs:

I am writing in support of your application being presented for a Geriatric Psychological Center for Jackson TN. The application, being presented by Ameris Acquisitions, LLC, will bring a much needed service to Jackson / Madison county and surrounding region for these services. Currently patients and their families are subject to travel long distances, (over 50 miles), to admit their family member for these services. Often there are no beds available at these facilities, requiring even further travel or delay in treatment. This creates a hardship for the patient as well as their caregiver.

Having this new center in Jackson will provide timely and convenient access to this vital care for seniors who are experiencing Psychological issues. It will also greatly reduce the expense and burden of transport to and from the facility for their caregivers.

Sincerely,

Rosy Whalley



Title: Executive Director

SEP 30 '13 11:58

SUPPLEMENTAL- # 1

September 30, 2013

11:58am

AFFIDAVITSTATE OF TennesseeCOUNTY OF Davidson

Robert Bauer, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

SIGNATURE/TITLE

Sworn to and subscribed before me this 11 day of September, 2013 a Notary
(Month) (Year)

Public in and for the County/State of Davidson

Mary Kathryn Grisham
 NOTARY PUBLIC

My commission expires May 5, 2015
(Month/Day) (Year)



COPY-

SUPPLEMENTAL-1

Woodridge of West Tennessee,
LLC

CN1309-035

SEP 30 '13 11:52

SUPPLEMENTAL- # 1

September 30, 2013

11:58am

Woodridge of West Tennessee, LLC
Application for CON 1309-035

Responses to Supplemental Questions

September 30, 2013

AMERIS ACQUISITIONS, LLC
1114 17th Avenue South, Suite 205
Nashville, Tennessee 37212
615-327-4440 (phone); 615-327-0898 (fax)

September 30, 2013

Mr. Phillip M. Earhart
HSD Examiner
State of Tennessee
Health Services and Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Boulevard
Nashville, TN 37243

RE: Certificate of Need Application 1309-035
Woodridge of West Tennessee

Dear Mr. Earhart,

We are in receipt of your email of September 20, 2013 wherein you provided us with an electronic version of a letter requesting additional information for our Certificate of Need Application 1309-035 for a sixteen (16) bed geriatric inpatient psychiatric facility located at 49 Old Hickory Blvd, Jackson (Madison County), TN 38305.

The original response deadline was no later than 12:00 p.m. on Thursday, September 26, 2013; however, we appreciate the extension you granted on September 23, 2013 to **no later than 12:00 p.m. on Monday, September 30, 2013**. Below is the list of items for which you requested clarification or additional discussion. Also, we have included page numbering and are providing this response in triplicate as requested.

1. Filing of the Application

Applications should have all pages numbered. Please resubmit the original application with page numbers.

RESPONSE: The original 92-page application is enclosed with appropriately numbered pages and labeled "Response 1". The original application and this supplemental response document are submitted in triplicate.

2. Section A, Applicant Profile, Item 4

Please discuss the proposed organizational and business relationships among these entities in such a manner that their affiliation with the project can be understood. An organization chart will be helpful.

RESPONSE: Woodridge Behavioral Care, LLC (“WBC”) is the parent company to several other LLCs that make up the company. WBC and all its affiliated LLCs are owned by Mr. Neil Campbell, CEO and Mr. Mike White, CFO. For purposes related to this CON application, a LLC named Woodridge of West Tennessee, LLC (“WWT”) is the applicant for a 16-bed Geriatric Psychiatric Unit. The GPU will be housed in a building currently occupied by Woodridge of Tennessee, LLC (“WTN”) which provides adolescent residential treatment services d/b/a Madison Oaks. WTN will lease space to WWT for the GPU and will also provide hotel services to the unit.

Ameris Acquisitions, LLC (“AA”) is owned by a third party and is a separate and unrelated LLC involved in this CON application. AA will manage the GPU. AA was formed by several members of Ameris Health Systems, LLC which has ceased operations after divestiture of all its facilities and contracts. The enclosed organizational chart labeled as “Response 2” illustrates the description given in this response.

3. Section A, Applicant Profile, Item 9

The Bed Complement Data chart is not copied clearly. Please resubmit a clearer copy with totals.

RESPONSE: Enclosed labeled “Response 3” is Item 9 of the Bed Complement Data chart with totals.

4. Section A, Applicant Profile, Item 13

Please identify all TennCare MCOs in the applicant’s service area and the TennCare MCOs with which the applicant intends to contract.

RESPONSE: BlueCare, United and Amerigroup are the TennCare MCOs in the proposed service area.

5. Executive Summary

The applicant states construction of a new facility in West Memphis, Arkansas offering inpatient child, adolescent and geriatric psychiatric services should begin in a matter of months. What is the cost of this project? Is the project being funded by a loan or cash reserves? Please describe the facility including the number of beds.

RESPONSE: WJL Realty, LLC (“WJL”), an affiliate of Woodridge of West Tennessee, (“Woodridge”) is currently building a 48-bed psychiatric hospital in West Memphis, Arkansas. The project is being financed by WJL through its own financial resources independent of Woodridge. Upon completion, Woodridge will lease the building from WJL and operate the psychiatric hospital. The total hospital project cost is \$9.5 million and should be completed in September of 2014.

What are the typical support services and hotel services that are needed for a geriatric psychiatric unit (GPU)?

RESPONSE: The *hotel and other non-full time clinical and managerial services* that will be provided by Woodridge of Tennessee, LLC (current occupant of the building providing adolescent residential treatment), Woodridge Behavioral Care, LLC (the parent company) and Ameris Acquisitions, LLC (the management company) to Woodridge of West Tennessee, LLC (the applicant) are the following:

- a. **Nutrition and Dietetic Support** – provides for patient meals, snacks and a contracted Registered Dietician to manage any consults for nutrition related to the GPU patients' special needs such as diabetes, etc.
- b. **Housekeeping Services** – manages regular cleaning of the unit, special situations such as spills, stripping and waxing of floors, window cleaning, disposal of waste and bio-waste and provides linen services and other special needs.
- c. **Maintenance Services** – manages all facility/building related needs including upkeep, repair of broken or non functional building components such as plumbing, lighting, HVAC, paint touch ups and other services as needed.
- d. **Pharmacy Services** – provides medication for GPU patients under contract arrangement with local pharmacist.
- e. **Laboratory Services** – provides for the timely testing of patients' blood, urine, etc., samples and provides data for therapeutic intervention by the physicians and is also a contracted service with a local hospital.
- f. **Physical, Speech, Occupational Therapies** – contracted services for patients provided by a local hospital.
- g. **Human Resources** – recruits and hires qualified employees for needed positions.
- h. **Health Information Management** – organizes and retains medical records for patients and assists with coding of the services for billing purposes.
- i. **Information Systems Services** – provide for a computerized medical charting and information system.
- j. **Accounting Services** – produces financial statements and monitors key financial metrics for the unit, assists auditors in assembling documents for annual audits and prepares documents and information for cost report filing purposes.
- k. **Utilization Review** – maintains records of the appropriateness of admissions and criteria for reimbursement.

- l. **Infection Control** – monitors patients for hospital acquired infections or non hospital acquired infections, manages and monitors the incidents of infection and writes policies and procedures used to train GPU staff on the importance of eliminating or reducing the chances of nosocomial infections.
- m. **Governance** – the Governing Body of WTN, LLC will be made up of Woodridge company owners and others including staff or physicians as deemed necessary for total oversight and responsibility of the GPU's legal entity.
- n. **Legal Services** – provided by WBC, LLCs corporate legal firm.
- o. **Managed Care Contracting** – provided by WBC, LLC management staff and reimbursement specialists.
- p. **Marketing and Planning** – supplemented by WBC, LLC corporate staff and Ameris management company staff to assist the Unit Manager and the Community Education Coordinator of the unit.
- q. **Quality Assurance** – provided by the Unit Manager with assistance and oversight by the RTC management staff and by the Ameris management company staff.
- r. **Others** – as needed.

6. Section B, Project Description, Item 1

Please provide a brief history, description and layout of the building usage for the campus where the applicant plans to provide inpatient geriatric services.

What is the age of the building where inpatient geriatric services will be provided?

Please clarify if the project will only serve patients 65 and over.

RESPONSE: The Woodridge facility originally was built as a general medical hospital and is 35-40 years old. The approximately 106,000 square foot facility has been maintained and renovated to reflect the current standards of care for psychiatric services. The building consists of two stories plus a basement area. A residential program for adolescents is located on the second floor.

The first floor has unoccupied patient care areas rotating off a traditional nursing station. The proposed geriatric psychiatric unit would be located in these patient care areas on the first floor. No other patient care beds are located on the first floor. Therefore, the geriatric psychiatric unit would have its own unique entrance access and physically operate as a distinct area. This unit would only serve patients over the age of 65 years.

Please clarify if the proposed geriatric inpatient unit will be classified as an Institution for Mental Disease (IMD).

RESPONSE: Because the proposed facility has fewer than 17 beds, under Medicaid the facility will not be classified as an IMD facility.

What is the continuum of care in the service area for geriatric patients?

RESPONSE: Local community mental health agencies such as Quinco and other outpatient therapists currently provide these services on an outpatient basis.

The table that includes BHC Martin and Perry Community Hospital is noted. Please respond to the following questions regarding the table:

- Please re-verify the mileage, ADC and ALOS
- Please source the program to determine the mileage from the proposed facility to the two facilities
- What is the year of the Joint Annual Report sourced in the table?

RESPONSE: Please see table below labeled "Response 6."

Response 6

	Mileage	ADC	ALOS
BHC Martin	53.42	12.1	15
Perry Community	64.30	7.42	11.1

Source: MapQuest (Mileage) and 2012 TN Joint Annual Report

Overall what is the percentage of inpatient geriatric days of total inpatient days for Perry Community Hospital in 2011?

RESPONSE: According the 2011 Tennessee Joint Annual Report, the percentage of inpatient geriatric days for Perry Community Hospital in 2011 was 19.1% of total inpatient medical/surgical population.

Is BHC Martin a stand alone facility?

RESPONSE: Yes.

Do BHC Martin and Perry Community Hospital have a geriatric partial inpatient program or intensive outpatient program?

RESPONSE: No.

The applicant states the subset for the geriatric psychiatric inpatient need is 30 beds per 100,000 population aged 65 and Older. Please clarify if there is a subset in the Guideline for Growth Criteria for inpatient geriatric psychiatric care.

RESPONSE: In practice, The Guidelines for Growth formula has often proven to underestimate the number of psychiatric beds needed due to the impact of other factors on bed utilization. These factors include:

- The willingness of the provider to accept emergency involuntary admissions
- The extent to which the provider serves the TennCare population and/or the indigent population
- The number of beds designated as specialty beds, i.e. gero psychiatric units or units established to treat patients with specific diagnoses

Such factors limit the availability of beds for the general population, as well as for specialty populations, depending on how the beds are distributed. Because the Woodridge application states that its patient population will be overwhelmingly gero psychiatric, the formula for determining need should be applied exclusively to the population Age 65+. Using the Guidelines for Growth formula to determine bed need for population Age 65+ results in an unmet need for additional beds. There are no distinct GPU units within Woodridge's service area.

The applicant states staff will be shared with an existing RTF in the facility. Is this allowable according to licensure rules? Please explain if staffed will be cross trained in geriatric care. Also, please clarify if the proposed geriatric unit will be a locked secure unit.

RESPONSE: The licensure rules do not indicate any prohibition to housing different psychiatric services and populations in the same building. However, there are other rules and common practices that would mandate the segregation of the adolescent from the adult patients by physical separation and anti-elopement measures and precautions. This GPU will be separated from the RTC by virtue of being on the first floor while the RTC patients are housed on the second floor. The GPU will have magnetic locks for staff access and for non-staff entry/exit control.

Certain staff from the RTC, if qualified and amenable, will be cross trained to do similar tasks on the GPU. The sharing of a LCSW or MSW would be an example. Also, if the RTC has nurses and/or CNAs who wish to work both units, they will be trained and then allowed to fill in for vacations, sick time, holidays, etc. taken by the GPU staff and vice versa for the RTC program.

Please describe the applicant's experience in operating geriatric inpatient mental health hospitals.

RESPONSE: The following history discusses all in patient geriatric psychiatric services operated by Ameris-related companies, the proposed management company for this unit being Ameris Acquisitions, LLC:

**Ameris Health Systems, LLC
Ameris Management Services, LLC
Ameris Acquisitions, LLC**

In 1992, Sam J. Lewis, Jr. founded Consolidated Health Corporation ("CHC"). CHC was the predecessor of Ameris Health Systems, LLC ("Ameris"). Ameris, a Tennessee limited liability company, was formed on June 26, 1998 for purposes of developing, owning and managing hospitals and geriatric psychiatric units ("GPU"). The first project undertaken by CHC was the reopening of Morton Medical Center in Morton, Mississippi. The hospital had been closed for 4 years prior to the involvement of CHC. Ameris recruited physicians, added new services such as a GPU and managed this facility until 1998, when management was returned to the local hospital authority. The facility is still open and serving the needs of the community.

In 1993, CHC reopened Newton Regional Hospital, originally a 50-bed acute care facility in Newton, Mississippi. The hospital had been closed for 9 months when CHC reopened it. Over the years, Ameris added physicians to the medical staff, implemented a 12-bed GPU and a swing bed program increasing the services provided to the community and income for the hospital. In 2003, management was returned to the local hospital authority.

In 1996, Ameris was engaged to manage Prentiss Regional Hospital & Nursing Home in Prentiss, Mississippi. Ameris added a 14-bed GPU and a swing bed program. New physicians were attracted to the community. The facility was renovated via grant money obtained by Ameris management. In 2004, management was returned to the local hospital authority.

In 1997, Ameris purchased CareNet Health Systems, Inc. (an owner and manager of residential adolescent treatment facilities), developed and opened 2 additional facilities in Birmingham, Alabama and Philadelphia, Pennsylvania and sold CareNet to Children's Comprehensive Services, Inc. in 1998.

Also in 1997, Ameris purchased Smith Hospital ("Smith") in Hahira, Georgia. Following a bitterly contested Certificate of Need ("CON") application process, Smith received approval to build a new facility in Valdosta, eight miles from Hahira. Ameris syndicated the facility to local physicians and other investors. The new facility opened in June of 2002. Ameris' partners individually own approximately 30% of Smith and Ameris managed this facility. Smith Northview Hospital ("SNH"), the new facility, was very successful as an Ameris-managed facility. The hospital has undergone four expansions in

its new location since 2002 and has a bed capacity of 54. A fifth expansion increased the capacity of the Women's Center and Nursery. A CON was granted to develop and build out a 12 bed GPU; however, the GPU was not built after an offer to buy the facility was accepted. In September of 2011, SNH was sold to the county's health system for \$64 million at 11 times EBDITA.

In 1998, Ameris developed and managed a GPU for Winston Medical Center ("Winston") in Louisville, Mississippi. Ameris recruited physicians and increased the marketing efforts of the unit. This GPU basically carried the hospital from a financial perspective, given the inpatient acute service volume was very low. Ameris continued to manage this unit for 15 years until June 30, 2013. Winston's new CEO and CFO are former employees of Ameris who worked at other Mississippi hospitals having GPUs. Winston no longer needed Ameris' assistance to manage the unit.

In 2001, Ameris' founder, Sam J. Lewis, Jr. led a group of investors who acquired Children's Comprehensive Services, Inc., a NASDAQ listed public company with annual revenues of approximately \$140 million, and took the company private. The company then operated as KEYS Group Holdings, LLC ("KEYS"). Mr. Lewis was on the board of KEYS and Ameris' partners owned more than 10% of the company. KEYS audited financials for 2004 reflected shareholder equity of \$42.7 million, net revenues of \$118 million and pretax income of \$6.5 million from continuing operations with a \$40.6 million gain on sale of discontinued operations. KEYS was sold to Universal Health Systems in 2005. The more than 50 KEYS facilities had GPUs in a dozen different locations across the country.

In 2003, Ameris obtained a CON to build a 70-bed replacement medical/surgical hospital in Phenix City, Alabama. Ameris contributed the CON with an appraised value of \$3 million to Russell County Community Hospital, LLC ("Summit Hospital"), raised over \$22 million of additional equity and obtained a HUD insured mortgage loan, which closed on May 19, 2005 in the amount of \$33.6 million which was used to develop, construct and equip Summit Hospital. Summit Hospital was sold to Houghston Orthopedic Clinic in February of 2008.

In late 2004, Ameris acquired the operations of two acute care hospitals in Blytheville and Osceola, Arkansas from Baptist Health Systems of Memphis and entered into leases for each of the two facilities with Mississippi County, Arkansas. Ameris and Ameris' partners own approximately 66% of the Arkansas operation, and Ameris was contracted to manage each facility. The larger of the two facilities located in Blytheville had a closed 20-bed GPU which Ameris helped reopen and was operational until the end of our lease. Ameris returned the management of the facilities back to the county in March of 2009.

In April of 2007, Ameris received approval from the Florida Agency for Health Care Administration for a CON to develop a 60-bed general acute care hospital in Chiefland Florida located in Levy County. Plan developments and financing activities are currently underway to file for another alternative CON of smaller scale with community ownership and financing.

Ameris is also involved in the early stages of planning and development of two other acute care hospitals in Alabama and New Mexico. In the feasibility phase is the planning for the development of a full service psychiatric facility in eastern New Mexico. Plans are also underway to provide development and management services to a Georgia-based hospital in creating a new 12-bed GPU following the completion of a new patient tower in the fall of 2014. Ameris' letter of intent for this GPU development is currently under negotiation. The Miner's Hospital in Raton, New Mexico has approved Ameris and an architectural firm to produce a feasibility study for the re-use of their older hospital building which recently was replaced with a new facility.

In September of 2008, Ameris assumed the management contract for Berrien County Hospital and Georgia Home Health Services in Nashville, Georgia. Berrien County Hospital is a JCAHO accredited facility with a licensed capacity of 63 beds. Georgia Home Health Services operates three offices located in the Georgia cities of Nashville, Valdosta and Tifton. Under Ameris' management a 12-bed geriatric psychiatric service was added to the hospital's service mix in January of 2010, which, in effect, saved the financial condition of the facility. Ameris returned operations of the facilities back to the owners in August of 2010. Earlier this year, the facility was sold for a profit.

In January of 2010, Ameris began a management engagement and turnaround of a 50-bed acute care hospital in Montezuma, Georgia. A financial turnaround was accomplished by developing plans to add a GPU, recruiting providers and making other operational improvements.

Ameris Health Systems ("AHS") and Ameris Management Services ("AMS") are currently undergoing a recapitalization of the companies and a reverse merger to acquire certain assets of AHS and AMS and rebuild its full management team. With over 10 projects at the early stages of development, Ameris has a successful future under its new operating entity, Ameris Acquisitions, LLC.

In addition to the experience of Ameris in developing and managing GPUs, the Woodridge officers and management team also possess prior experience with GPU services in other hospitals owned in the past and at other companies worked in the past. Collectively, the Ameris and Woodridge management teams have been involved in the development and management of over 20 GPUs.

7. Section B, Project Description, Item II.A

Please describe the renovation of the facility including major operational areas, room configuration, etc.

RESPONSE: The renovation is to one-half of an existing nursing unit and is 9,159 Ft² gross. There will be 16 beds located in existing acute care patient rooms. Fourteen beds will be in semi-private configuration and two will be in private configuration. These rooms will be modified to be psych secure and two rooms will be ADA accessible.

Other support spaces will be group social rooms, nurse station support spaces and admitting functions, and required storage. Mechanical, plumbing and electrical systems will be upgraded to current requirements and the sprinkler system will be extended to cover the entire renovated area. An outside patient area will be constructed and surrounded by a security fence. All floor, wall, and ceiling finishes will be new.

8. Section B, Project Description Item III.A.(Plot Plan)

Please provide a legible plot plan.

RESPONSE: Please see enclosed GIS map and plot plan labeled "Response 8 (a)" and "Response 8 (b)" respectively.

9. Section B, Project Description Item III.B

Please describe the accessibility of the proposed site to patients/clients.

The applicant refers to Attachment E (Plot Plan). Please clarify the reason to refer.

RESPONSE: The Woodridge facility is accessible via I-40 (1.5 miles), Hwy. 45 (.5 miles), and North Highland (.1 miles). Jackson has a metro bus service throughout the city. Attachment E (Plot Plan) was referred to because the plot plan shows several of the major roads, along with the proposed Jackson Transit Authority bus routes.

10. Section B, Project Description, Item B.IV

The floor plans submitted are noted. Please provide larger, more detailed images of the proposed geriatric-psychiatric unit, but submit on 8 ½ x 11 letter size paper.

RESPONSE: Please see attached floor plan labeled as "Response 10".

11. Section C, Need, Item 1 a., (Project Specific Criteria-Psychiatric Inpatient Services A. Need, 1)

The population table appears to be calculated from a 2008 Revision of the Tennessee Department of Health, Office of Policy, Planning and Assessment, Division of Health Statistics. Please revise the table and use population projections based on the 2010 census.

The narrative noting there are 59,671 adult aged 65 and older do not match the tables listing the figure as 60,853. Please clarify.

Please recalculate the bed need by including Pathways of Tennessee located at 238 Summar Drive, Jackson (Madison) that has 25 licensed psychiatric inpatient beds and Western Mental Health Institute located at 11100 Old Highway 64 West, Boliver (Hardeman County), TN that has 187 licensed beds.

RESPONSE: Please refer to the revised chart requested at Question 16.

The source for Exhibit 2 "Total Population Projections" is the US Census. Please clarify the year of the census.

RESPONSE: The 2010 US Census was the source used for Exhibit 2 "Total Population Projections."

The table listed as Exhibit 1 population based Age 18+ psychiatric bed need is based on 30 beds/100,000 population. Based on the formula, the tables display a service area need for 75 beds in 2018 for adult psychiatric patients. Currently there are 212 operational adult psychiatric beds in the service area, (187) beds at Western Mental Health Institute and 25 beds at Pathways of Tennessee. With a Net Adult Psychiatric Bed surplus of 137 beds, please discuss why the applicant feels there is a need for 16 more adult psychiatric beds as proposed.

RESPONSE: The recalculated bed need for Age 18+ is 78.8 adult beds based on a population of 262,973 (18+ years old) in the service area. The 212 operational adult psychiatric beds in the service area is not an accurate representation of the need for geriatric psychiatric services we plan to provide. You stated that Woodridge claims there is a need for 16 more adult psychiatric beds; however, Woodridge claims that there is a need for 16 geriatric psychiatric beds specifically for persons Age 65+, not 18-64 years of age.

For example, Pathways of Tennessee is a 25-bed psychiatric facility with an average length of stay ("ALOS") of 4.8 days; however, Pathways admitted only 10 adults Age 65+ according to the 2012 Joint Annual Report. Further, this facility has no separate or distinct GPU. Western Mental Health Institute ("WMHI") is a state-run facility for the chronically mentally ill. The ALOS for WMHI is 34 days. Only 35 adults Age 65+ were admitted according to the 2012 Joint Annual Report.

12. Section C, Need, Item 1 a., (Project Specific Criteria-Psychiatric Inpatient Services A. Need, 2)

Please calculate adult psychiatric bed need based on 2013 populations statistics. Please adjust all population tables to reflect 2013 population statistics and resubmit. Please verify that all narrative population figures match those in charts.

RESPONSE: The calculations are adjusted to the 2010 census using 2013 projections and are shown in the chart in Question 16 of the supplemental response answers.

13. Section C, Need, Item 1 a., (Project Specific Criteria-Psychiatric Inpatient Services A. Need, 4)

Response 14

Patient Origin by County

Number of Inpatient Days or Discharge Patient Days

Facility	Madison	Chester	Crockett	Dyer	Gibson	Hardin	Hardeman	Haywood	Henderson	McNairy
Behavioral Healthcare Center at Martin (Weakley Co.)	350	0	0	398	743	14	15	53	49	0
Western Mental Health Institute (Hardeman Co.)	4,219	139	229	187	1,667	1,455	1,581	218	327	1,133
Henry County Medical Center (Henry Co.)	90	0	29	33	179	5	0	0	27	0
Pathway Of TN (Madison)	662	85	62	149	292	108	69	38	182	127
Delta Medical Center (Shelby)	921	109	0	279	592	301	349	110	169	106
Lakeside Behavioral Health System (Shelby Co.)	667	9	20	245	48	30	39	92	38	102
Memphis Mental Health (Shelby Co.)	16	0	0	2	170	20	21	14	14	0
Saint Francis Hospital (Shelby Co.)	349	23	36	262	142	117	387	89	117	213
*Baptist Memorial Hospital (CN1205-021A) (Carroll Co.)	6	0	0	0	6	0	0	0	33	0
Total	7,280	365	376	1,555	3,839	2,050	2,461	614	956	1,681

**CN1205-021 Baptist Memorial Huntington is an outstanding project. If applicable, please place an "X" in the project's declared service area counties.*

**15. Section C, Need, Item 1 a., (Project Specific Criteria-Psychiatric Inpatient Services
B. 1. Service Area and Section C. Need. Item 3 Service Area**

Your response is noted. The application question asked the applicant to identify and justify the reasonableness of the proposed service area. Please complete the following table indicating the travel times and distances to existing facilities, and the proposed Woodridge of West TN from the secondary service area counties as well as Madison County.

Estimates for total need should be adjusted by the existing staffed beds in the area as counted by the Joint Annual Report. Please indicate the number of staffed beds at Western Mental Health Institute and at Pathways of Tennessee and adjust the total bed need as requested.

RESPONSE: Staffed beds in the proposed service area include Pathways (25) and Western Mental Health (150) for a total of 175 staffed beds, which leaves a surplus of 71.2 beds. However, there are no distinct GPU beds in the proposed service area. Based on the 2013 census projections, the bed need for Age 65+ population is 16.2 beds based on a population of 54,003.

**14. Section C, Need, Item 1 a., (Project Specific Criteria-Psychiatric Inpatient Services
B.1. (Service Area)**

Please complete the following chart using the 2011 Final Joint Annual report. This will determine where patients of the proposed service area migrate to for psychiatric services.

Response 14
Patient Origin by County
Number of Inpatient Days or Discharge Patient Days

Facility	Madison	Chester	Crockett	Dyer	Gibson	Hardin	Hardeman	Haywood	Henderson	McNairy
Behavioral Healthcare Center at Martin (Weakley Co.)	350	0	0	398	743	14	15	53	49	0
Western Mental Health Institute (Hardeman Co.)	4,219	139	229	187	1,667	1,455	1,581	218	327	1,133
Henry County Medical Center (Henry Co.)	90	0	29	33	179	5	0	0	27	0
Pathway Of TN (Madison)	662	85	62	149	292	108	69	38	182	127
Delta Medical Center (Shelby)	921	109	0	279	592	301	349	110	169	106
Lakeside Behavioral Health System (Shelby Co.)	667	9	20	245	48	30	39	92	38	102
Memphis Mental Health (Shelby Co.)	16	0	0	2	170	20	21	14	14	0
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*Baptist Memorial Hospital (CN1205-021A) (Carroll Co.)	6	0	0	0	6	0	0	0	33	0
Total	7,280	365	376	1,555	3,839	2,050	2,461	614	956	1,681

**CN1205-021 Baptist Memorial Huntington is an outstanding project. If applicable, please place an "X" in the project's declared service area counties.*

15. Section C, Need, Item 1 a., (Project Specific Criteria-Psychiatric Inpatient Services
B. 1. Service Area and Section C. Need. Item 3 Service Area

Your response is noted. The application question asked the applicant to identify and justify the reasonableness of the proposed service area. Please complete the following table indicating the travel times and distances to existing facilities, and the proposed Woodridge of West TN from the secondary service area counties as well as Madison County.

Response 15

Facility		Madison Co. (Jackson, TN)	Chester Co. (Henderson, TN)	Crockett (Alamo, TN)	Dyer (Dyersburg, TN)	Gibson (Trenton, TN)	Hardin (Savannah, TN)	Hardeman (Boliver, TN)	Haywood (Brownsville, TN)	Henderson (Lexington, TN)	McNairy (Selmer, TN)
Behavioral Healthcare Center at Martin (Weakley Co.)	Time	1:13	1:36	1:02	:58	:39	2:12	1:49	1:25	1:22	1:56
	Distance	57.9	74.97	47.64	48.39	29.98	103.8	85.14	66.86	63.88	93.8
Western Mental Health Institute (Hardeman Co.)	Time	:41	:37	1:08	1:33	1:19	1:02	:05	:44	1:07	:34
	Distance	29.9	27.3	49.82	72.1	59.49	49.8	3.01	32.5	53.93	26.2
Henry County Medical Center (Henry Co.)	Time	1:18	1:40	1:22	1:41	1:06	1:55	1:54	1:39	1:05	1:59
	Distance	62.24	78.43	61.84	75.75	49.54	90.06	89.7	74.8	51.84	94.85
Pathway of TN (Madison Co.)	Time	:05	:31	:27	:53	:37	1:02	:44	:33	1:07	:50
	Distance	2.0	19.8	21.0	45.5	27.4	49.8	30	28.7	53.9	38.7
Delta Medical Center (Shelby Co.)	Time	1:22	1:42	1:25	1:47	1:48	2:13	1:18	1:02	1:46	1:47
	Distance	83.6	84.1	76.7	84.9	103.9	115.9	64.6	59.43	106.8	88.1
Lakeside Behavioral Health System (Shelby Co.)	Time	1:04	1:24	1:08	1:30	1:30	1:57	1:00	:45	1:29	1:29
	Distance	67.8	68.3	60.9	74.7	87.8	95.6	45.83	43.6	91.0	72.3
Memphis Mental Health (Shelby Co.)	Time	1:26	1:46	1:30	1:38	1:52	2:19	1:22	1:06	1:51	1:51
	Distance	87.7	88.2	80.8	76.1	107.6	115.5	68.71	63.5	110.9	92.2

Facility		Madison Co. (Jackson, TN)	Chester Co. (Henderson, TN)	Crockett (Alamo, TN)	Dyer (Dyersburg, TN)	Gibson (Trenton, TN)	Hardin (Savannah, TN)	Hardeman (Boliver, TN)	Haywood (Brownsville, TN)	Henderson (Lexington, TN)	McNairy (Selmer, TN)
Saint Francis Hospital (Shelby Co.)	Time										
		1:17	1:37	1:20	1:42	1:19	2:10	1:13	:57	1:41	1:42
	Distance	79.29	79.7	72.4	80.6	59.4	107.1	60.2	55.1	102.5	83.8
Baptist Memorial Hospital (CN1205- 021A) (Carroll Co.)	Time										
		:52	1:12	1:05	1:23	:49	1:27	1:29	1:14	:37	1:31
	Distance	39.5	54.4	48.2	62.1	35.9	66.0	66.9	64.5	27.8	70.8
Proposed Woodridge of West TN (Madison Co.)	Time										
		0	:30	:26	:52	:37	1:19	:45	:32	:33	:52
	Distance	0	20.6	21.8	46.4	25.6	62.6	30.8	28.6	27.8	39.5

**16. Section C, Need, Item 1 a., (Project Specific Criteria-Psychiatric Inpatient Services
B. 2. Service Area Demographics and Section C. Need. Item 4 Service Area
Demographics**

Please complete the following chart.

Response 16

Demographic Data	Chester County	Crocket County	Dyer Co.	Gibson Co.	Hardin Co.	Hardeman County	Haywood County	Henderson County	Madison Co.	McNairy County	Service Area Total	State of TN Total
Total 2013 Population	17,031	15,336	39,039	49,303	27,091	30,299	19,786	28,170	101,634	26,476	354,165	6,346,105
Total 2017 Population-	17,566	15,922	40,042	49,878	27,555	31,366	20,037	28,970	104,914	26,908	363,158	6,623,114
Total 2017 Population % Change	3.14	3.82	2.56	1.16	1.71	3.52	1.2	2.8	3.2	1.63	2.53	1.04
65+ Pop. - 2013	2,525	2,397	5,910	8,634	5,130	4,261	2,675	4,284	13,277	4,910	54,003	904,587
65+ Pop. - 2017	2,770	2,576	6,515	9,081	5,627	4,326	3,107	4,730	15,013	5,290	58,963	1,015,339
65+ Population % Change	9.7	7.4	10.2	5.17	9.6	1.52	12.7	10.4	13.07	7.73	9.18	8.9
65+ Population % of Total Population	14.83	15.63	32.81	17.52	18.94	14.07	13.52	15.21	13.07	18.55	17.41	15.33
Median Age	36	39.6	39.3	39.2	43.5	39.2	39.2	39.7	36.8	41.6	39.4	38.0
Median Household Income - \$	39,776	36,743	38,909	35,577	32,131	32,601	33,504	37,627	40,667	34,953	36,147	43,989
TennCare Enrollees	3,400	3,426	9,790	11,838	6,716	6,990	5,576	6,221	21,287	7,283	82,527	1,204,520
TennCare Enrollees as % of Total Population	19.9	22.3	25.1	24.0	24.8	23.1	28.2	22.1	20.9	27.5	23.3	18.1
Persons Below Poverty Level	3,048	2,898	7,495	8,825	6,149	6,544	4,550	4,648	19,513	5,957	69,627	1,119,306
% of Total Population below Poverty Level	17.9	18.9	19.2	17.9	22.7	21.6	23.0	16.5	19.2	22.5	19.1	16.9

The applicant states Madison and the surrounding 9 counties have higher than state average numbers of residents aged 65 years and older. Using the completed table above, please compare those counties to the statewide average.

**17. Section C, Need, Item 1 a., (Project Specific Criteria-Psychiatric Inpatient Services
C. 4. Relationship to existing applicable plans (Involuntary Admissions)**

Please discuss examples of when the applicant could not accept an "Involuntary Admission." In a situation where the applicant could not take an "Involuntary Admission", what protocols would the applicant enact to assure the patient could receive proper treatment?

Please discuss if involuntary admissions are usually transferred to Western Mental Health Institute for treatment.

RESPONSE: Woodridge Behavioral Care plans to specialize the services provided in the newly appointed 16-bed unit, to only geriatric psychiatry (65+ years old). The bed composition at Western Mental Health Institute consists of general acute psychiatric services for wards of the State or adjudicated patients, which is not comparable the dedicated beds of which the geriatric population is in need and that Woodridge Behavioral Care plans to provide. This new unit will provide comprehensive care exclusively for the older adult population with psychiatric, dementia and related disorders.

The unit will not be the same as a crisis stabilization unit, in that those units are normally considered an emergency room for psychiatry. The length of stay in a crisis stabilization is often less than 96 hours. The psychiatric unit for which we are applying will have an average length of stay of about 14 days.

The conditions that the geriatric population will present will be conditions that can be properly diagnosed, treated and stabilized and then maintained on an outpatient basis with help from family and a strong support system. The diagnoses will not be long-term chronic illnesses that will need continued hospitalizations for months or even years. Woodridge Behavioral Care will not be treating the forensic patient or a patient with only a primary substance abuse diagnosis. These diagnoses may be better treated at Western Mental Health Institute.

**18. Section C, Need, Item 1 a., (Project Specific Criteria-Psychiatric Inpatient Services
C. 5. Relationship to existing applicable plans**

The applicant state Woodridge is presently a TennCare provider. Has the applicant decided the proposed project will not involve the treatment of TennCare members?

RESPONSE: Woodridge of West Tennessee, LLC (the applicant) is not presently a TennCare provider, nor has it applied for a Medicare provider number to date. This will be done when and assuming the CON application is approved.

Woodridge of Tennessee, LLC, the residential treatment center which is housed in the Madison Oaks facility is a TennCare provider, but it is not a Medicare provider.

Due to the nature of these age specific and segregated units/LLCs, there is no need to accept Medicare for an adolescent unit and no need to accept TennCare for a senior (65+ years old) patient population. The two units will be billing under separate provider numbers for the appropriate reimbursement programs available to their respective age groups.

19. Section C, Need, Item 1 a., (Project Specific Criteria-Psychiatric Inpatient Services D.1. (Relationship to Existing Similar Services))

Please complete the following table indicating the licensed beds and occupancies of existing facilities in the primary, secondary service area and in West Tennessee.

Response 19 – Chart 1

Facility	City	County	Total Psychiatric Beds	Geriatric Beds	2009 Occup.	2010 Occup.	2011 Occup.	Accept Involuntary Admissions?
Behavioral Healthcare Center at Martin	Martin	Weakley	16	16	78.5%	75.9%	77.7%	NO
Henry County Medical Center	Paris	Henry	22	0	23.2%	39.8%	40.4%	NO
Pathways of Tennessee	Jackson	Madison	25	0	26.8%	37.4%	33.8%	NO
Western Mental Health Institute	Boliver	Hardeman	187(2009) 162(2010) 0(2011)	0	83.2%	74.9%	NO DATA	YES
Henry County Medical Center	Paris	Henry	DUPLICATE - SEE INFO ABOVE					
Pathway of TN	Jackson	Madison	DUPLICATE - SEE INFO ABOVE					
Delta Medical Center	Memphis	Shelby	90	24	59.0%	62.7%	63.4%	UNKNOWN
Lakeside Behavioral Health System	Memphis	Shelby	290	24	53.5%	52.9%	56.3%	YES
Memphis Mental Health	Memphis	Shelby	76 (2009) 75(2010)	0	85.4%	79.9%	75.3%	YES
St. Francis Hospital	Memphis	Shelby	102	35	57.5%	47.0%	43.5%	NO
*Baptist Memorial Hospital (CN1205-021A) (Carroll County)	Huntington	Carroll	12	12	n/a	n/a	n/a	UNKNOWN
Total			820	135	58.3%	58.8%	48.8%	

Please complete the following table using 2011 JAR Data.

Name of Hospital	Total Licens ed Beds	65+ Number of Inpatient or Discharge Patient Days	Ages 18 – 64 Number of Inpatient or Discharge Patient Days	Total Inpatient or Discharge Days	% Geriatric Discharge Days of Total Days
Western Mental Health Institute (Hardeman)	187	1,412	40,205	41,617	3.3%
Pathway of Tennessee (Madison)	25	63	2,783	2,846	2.2%

Please re-verify BHC Martin's average daily census (ADC) and average length and stay (ALOS).

RESPONSE: Please see chart labeled "Response 19" below.

Response 19 – Chart 2

	Milcage	ADC	ALOS
BHC Martin	53.42	12.1	15

Please indicate if there are geriatric intensive outpatient or partial hospitalization programs in the proposed service area.

RESPONSE: There are no geriatric intensive outpatient or partial hospitalization programs in the proposed service area.

20. Section C, Need, Item 5.

Please complete the following chart:

Response 20

	Beds	2009	2009	2009	2009	2010	2010	2010	2010	2011	2011	2011	2011
		Admits	Pat. Days	ALOS	%Occ.	Admits	Pat. Days	ALOS	%Occ.	Admits	Pat. Days	ALOS	%Occ.
Western MHI	187	1211	41617	34.3	60.97	1341	44339	33	64.9	1386	43427	31.3	63.6
Pathways of TN	25	818	2446	2.9	26.8	885	3418	3.8	37.4	691	3085	4.4	33.8
TOTAL	212	2029	44063			926	47757			2077	46512		

21. Section C, Need, Item 6

Please also complete the following chart:

Response 21

Facility	Beds	Year 1	Year 1	Year 1	Year 1	Year 2	Year 2	Year 2	Year 2
		Admits	Pat. Days	ALOS	%Occ.	Admits	Pat. Days	ALOS	%Occ.
Woodridge of West TN	16	156	2190	14	39.9	169	2373	14	40.6

Please provide the details regarding the methodology used to project 2,190 gero patient days during the first year of operation (2014) and 2,373 patient days during the second year (2015) of operation. The methodology must include detailed calculations or documentation from referral sources. Providing only statements such as "based on past experience" will not be considered an adequate response.

Please provide letters of referral from Community Mental Health Centers, Private Psychiatrists and Primary Care Physicians, etc.

Please also provide letters from the service area's Community Mental Health Agency's mobile crisis teams that express the need for a geriatric inpatient facility in Madison County.

RESPONSE: The methodology for calculating the number of assumed patient days in Year 1 and Year 2 are based on the best available data accessible to the applicant. First, we referred to the American Psychology Association's article labeled "Response 21 (k)" which reveals a real under-diagnosis and treatment issue across the United States for the treatment of mental health issues suffered by persons Age 65+. Therefore, any actual numbers or methods of determining a concrete approach to estimating the bed need and accompanying number of patient days per 100,000 of inpatient geriatric psychiatric services is limited and conservative at best.

For example, the comparison of a known market area for a GPU managed by Ameris in Louisville, Mississippi shows that for its market area with an Age 65+ population of 30,752 in 2012 (per 2012 estimated U.S. Census data), it generated 2,451 actual patient days of geriatric psychiatric care the same year. Please see enclosed exhibits labeled "Response 21 (a) through Response 21 (j)". Using 2,451 patient days divided by 30,752 population Age 65+ and the ratio of patient days to Age 65+ population would generate 7,979 patient days per population Age 65+ in the Jackson, Tennessee market area defined in this CON application.

Woodridge's Year 1 assumption of 2,190 is very conservative and reflects the ramp up required for the unit to stabilize and establish its reputation and available services to a market where no GPU is currently available. The Year Two patient days

assumption increases the total year over year census by 8.4% to 2,373 patient days in Year Two.

Our assumptions are that approximately one third of potential eligible patient days of care in the market will be used. In this market the expectation is that as the GPU becomes a part of the referral sources' provider of choice lists, the census and volume of the proposed GPU will increase annually until stabilization at a higher rate than Year Two assumptions.

22. Section C. Economic Feasibility Item 1 (Project Cost Chart)

Please provide documentation from a licensed architect or construction professional:

- 1) a general description of the project,

RESPONSE: The project will be 9,159 Ft² of minor and major renovations. The renovation is in an existing original Acute Care patient wing. There will be 14 beds in semi-private configuration and 2 beds in private rooms. All toilets will be renovated. Many required ancillary support spaces already exist. Other spaces will be constructed as needed. The entire unit will have new floor, wall and ceiling finishes.

All security requirements will be met and explained in a subsequent response. The renovated space will have the mechanical-plumbing-electrical upgraded to current codes. The entire unit will be mag locked for security. There will be an outdoor secure area for patient access.

- 2) his/her estimate of the cost to construct the project to provide a physical environment, according to applicable federal, state and local construction codes, standards, specifications, and requirements and

RESPONSE: The cost estimate for this work is \$800,000. This represents a square footage cost of \$87.34 for the entire unit. Some areas will cost more, and some areas will cost less. This will bring the unit up to all current code requirements.

- 3) attesting that the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the new 2010 AIA Guidelines for Design and Construction of Hospital and Health Care Facilities

RESPONSE: The facility is being designed with the 2010 AIA Guidelines as a design guide.

- B) The latest HSDA Hospital Renovation Cost per Square Foot analysis for projects approved by the HSDA 2010-2012 is provided.

What improvements will need to be completed to make the space designed for a mental health inpatient unit?

After the renovations are complete, will the hospital meet codes for a mental health hospital?

RESPONSE: The patient rooms will be modified to have gyp ceilings at 9'-0" AFF with secure light fixtures, HVAC diffusers and sprinkler heads. The PTAC HVAC units will have locked covers on the controls. The windows will be replaced with psychiatric secure window units.

The patient bathrooms will be completely renovated. The water closet and sink will be replaced with secure fixtures. The existing tubs will be replaced with ceramic tile roll-in showers with secure shower heads and mixing valves. All toilet accessories will be psychiatric level accessories. The ceiling will be gyp board at 9'-0" with secure utilities similar to the patient rooms.

All door hardware at patient rooms and toilets will be psych-secure designed hardware.

Outside the unit, we will raise ceilings and provide secure utilities where there is patient access. The entire unit will be mag locked with staff control.

The outdoor space will have fixed furniture built into the concrete. A 10'-0" security fence will surround the outdoor space with a mag lock exit gate.

Please clarify if the proposed unit will have a restrain and/or seclusion room.

RESPONSE: The codes require a seclusion room in a GPU. The staff prefers not to have one as in a geriatric situation they are almost never used. There will be the required "Quiet Room" as listed in the guidelines.

The Estimated Project Cost (A+B+C) appears to be incorrect. Please revise and resubmit a project cost chart.

RESPONSE: Please see enclosed Project Cost Chart labeled "Response 22" revised as per above instruction.

The applicant provides construction costs in the amount of \$800,000 on the Project Costs Chart. In a memo dated February 8, 2013 by General Contractors Brasfield and Gorrie the low range construction cost is \$989,640 and high range is \$1,298,070. Please clarify why the construction cost on the Project Costs Chart is lower than both figures.

RESPONSE: The quote provided by Brasfield and Gorrie represented construction costs for building two wings and other ancillary spaces. Woodridge plans to renovate only one wing and a nurses' station. The amount of \$800,000 in construction costs is based on a percentage of square footage.

23. Section C, Need, Item 3.

Please provide a map of the entire state of Tennessee with boundary lines between all counties.

RESPONSE: See Tennessee map labeled "Response 23".

The applicant mentions distance places a burden on a family member needing to attend family sessions. Normally, how often are family sessions?

RESPONSE: The applicant will provide family sessions for patients on a twice weekly basis or as needed and ordered by the attending psychiatrists. Distances to the closest similar dedicated geriatric psychiatric services are all over an hour drive time. The ability for family to visit and to participate in the patients' therapy and activities contributes a necessary element to the inpatient treatment and continued outpatient treatment after discharge or upon release back to the home, nursing home or other place of residence.

24. Section C. Economic Feasibility Item 3 (Reasonableness of Project Cost)

Please compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

The latest HSDA Hospital Construction Cost per Square Foot analysis for projects approved by the HSDA 2010-2012 is provided at the following web-site: http://tennessee.gov/hsda/applicants_tools/docs/Construction%20Cost%20Per%20Square

Please provide the Fair Market Value of the hospital building in the Project Costs Chart and re-submit.

RESPONSE: The current link does not provide costs of psychiatric units. The architect currently has a similar project of an acute care unit renovation to a psych wing at Skyline Madison Hospital, Madison, TN. The cost of that 19,282 Ft² unit is \$81/Ft². Our cost for a 9,159 Ft² unit, bid one year later is \$87.36/Ft² which is certainly similar for a nearly identical type of project. Without renovations, the portion of the hospital building used for the proposed GPU is only of nominal value; however, our best estimate would be 20% of total renovation estimated project costs of \$930,000 or \$186,000. Therefore, this item was not included on the revised Project Costs Chart in Response 22.

25. Section C. Economic Feasibility Item 4. (Historical Data Chart and Projected Data Chart)

The HSDA is utilizing more detailed Historical and Projected Data Charts. Please complete the revised Projected Data Chart provided at the end of this request for supplemental information. Please note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should also include any management fees paid by agreement to third party entities not having common ownership with the applicant. Management fees should not include expense allocations for support services, e.g., finance, human resources, information technology, legal, managed care, planning marketing, quality assurance, etc. that have been consolidated/centralized for the subsidiaries of a parent company.

RESPONSE: Please see "Projected Data Chart" and "Projected Data Chart – Other Expenses" on the following pages.

Expenses for 2014 in the amount of \$13,140 include costs for general repairs to the unit consisting primarily of purchasing parts, because there will be a hotel services agreement with WTN. Also, this expense category includes vehicle maintenance and repairs.

Examples of expenses in the "Other Expenses" category are business taxes; vehicle tags, title and emissions testing; other taxes, licenses and fees; bank fees; postage; clothing for patients without adequate clothing; and recognition awards for staff and patients. These are listed in the separate chart for "Other Expenses Categories."

26. Section C. Economic Feasibility Item 5

Please recalculate average gross charge and average deduction and submit a replacement page.

RESPONSE: The corrected average charges, contractual write-offs and net reimbursements are as follows:

Average gross charge per patient day = \$1,100.00

Average contractual discount per patient day = \$375.00

Average net reimbursement per patient day = \$725.00

27. Section C, Economic Feasibility, Item 6.A. and 6.B.

The applicant states the Medicare contractual write-off of \$821,150 or 34.1% of charges in Year One. Please recalculate.

Please provide comparative charges to recently approved CON projects by the HSDA such as Baptist Memorial Hospital (CN1205-021A).

RESPONSE: The Medicare contractual write-off for year one is \$821,120 which is 34.1% of gross charges. The average contractual write-off per admission is \$5,249.17 for an average of \$375.00 per patient day. Baptist Memorial Hospital (CN1205-021A) has not been in operation long enough to obtain comparative charges at this time.

28. Section C, Economic Feasibility, Item 8

The applicant states the company maintains a line of credit with Pinnacle Bank. Please provide a letter from Pinnacle Bank specifying the line of credit amount.

RESPONSE: Please see enclosed letter from Pinnacle Bank labeled "Response 28".

29. Section C, Economic Feasibility, Item 9.

How will the medically indigent be served?

RESPONSE: the medically indigent population does not apply to this GPU, since all patients will have or will be qualified to enroll in Medicare. On the off chance that someone doesn't have Medicare and is 65 + years old, then they should be eligible to obtain insurance under the PPACA which begins October 1st, 2013. So, indigent uninsured situations do not apply to this project.

Please complete the following chart.

Response 29

Payor	Gross Revenue	% of Total Revenues
Medicare	\$2,409,000	100
Medicaid/TennCare	0	0
Commercial insurance	0	0
Self-Pay	0	0
Total	\$2,409,000	100

30. Section C, Economic Feasibility, Item 11.B

Has the applicant considered starting a geriatric partial hospitalization program first then adding an inpatient unit as need increases?

RESPONSE: The applicant has considered certain outpatient programs for the geriatric population. However, because there is no established intensive inpatient geriatric psychiatric unit in the area, there would be a dearth of potential patients for an outpatient program. The partial hospitalization and intensive outpatient programs under Medicare are best used as follow up and as a continuum of care service for those patients having completed their inpatient treatment. The primary treatment that occurs in a GPU is the management of the patient's medications. Usually, a patient will be on multiple medications prescribed by more than one physician over time. Without the coordination of a patient's physicians and consultation of a patient's psychiatrist for the psychotropic medications, a patient's behavioral problems can become exaggerated to a point where a patient is no longer manageable at home or in a nursing home, etc. By admitting a patient to a GPU, a psychiatrist can take a patient off certain medications and add others or re-titrate the same medications to a therapeutic level. Following this point in the treatment continuum, a patient would then be well served by an outpatient program for maintenance purposes. If this CON is approved, Woodridge will consider the addition of outpatient treatment programs at a later date and once the unit is operational.

31. Orderly Development, Item 1

Does the applicant have transfer agreements with Madison County hospitals? If, so, please list.

RESPONSE: The applicant is in the process of obtaining a transfer agreement with West Tennessee Healthcare ("WTN"). WTN President and CEO, Bobby Arnold, supports this project. We plan to develop a transfer agreement in the coming weeks.

32. Section C, Contribution to Orderly Development, Item 7

Please provide the latest results of the state licensure survey for the existing on-site residential treatment center along with the applicant's responses.

RESPONSE: Please see enclosed the October 12, 2012 licensure survey labeled "Response 32".

33. Project Completion Chart

Please submit a revised Project Completion Forecast Chart.

RESPONSE: Please see the revised Project Completion Forecast Chart labeled as "Response 33".

34. Proof of Publication

Please submit a copy of the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.

RESPONSE: Enclosed are the full page of the newspaper ("Tear Sheet") and affidavit of publication as provided by *The Jackson Sun* labeled as "Response 34 (a)" and "Response 34 (b)" respectively.

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSONNAME OF FACILITY: WOODRIDGE OF WEST TENNESSEE, LLC

I, H. NEIL CAMPBELL, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

H. Neil Campbell
Signature/Title
President

Sworn to and subscribed before me, a Notary Public, this the 25th day of SEPTEMBER, 2013, witness my hand at office in the County of DAVIDSON, State of Tennessee.

Jan E. McGaughy
NOTARY PUBLIC

My commission expires _____.

HF-0043

My Commission Expires JUNE 21, 2016

Revised 7/02



September 30, 2013

11:58am

In addition to the supplemental responses and affidavit above, please find enclosed herein response exhibits. If you require additional information, please do not hesitate to contact me at 615-327-4440.

Sincerely,



K. Robert Bauer, Jr.
President & CEO
Ameris Acquisitions, LLC

Woodridge of West Tennessee, LLC

Application for CON 1309-035

Response Exhibits to Supplemental Questions – Continued

September 30, 2013

Turning Point Mature Adult Unit WINSTON MEDICAL CENTER 2009 through 2013 Admissions, Discharges, Patient Days, & Revenue Totals																				
	2009				2010				2011				2012				2013			
	Adm	Disc	Days	Rev	Adm	Disc	Days	Rev	Adm	Disc	Days	Rev	Adm	Disc	Days	Rev	Adm	Disc	Days	Rev
Jan	10	13	148	71,250	10	8	137	65,075	16	14	207	98,325	17	15	223	105,925	16	15	227	107,825
Feb	13	12	157	74,575	15	16	188	89,300	17	17	205	97,375	15	17	199	94,525	15	17	184	87,400
Mar	15	14	196	93,100	20	16	188	89,300	13	13	154	73,150	22	22	256	121,600	12	14	176	83,600
Apr	16	19	233	110,675	11	17	204	96,900	17	18	244	115,900	17	13	214	101,650	16	12	183	86,925
May	15	13	164	77,900	15	11	152	72,200	16	15	199	94,525	18	23	248	117,800	15	18	224	106,400
June	17	16	216	102,600	19	18	264	125,400	13	13	148	70,300	20	18	226	107,350				
July	10	13	129	61,275	16	17	213	101,175	18	18	239	113,525	15	16	201	95,475				
Aug	11	12	149	70,775	19	19	233	110,675	22	23	256	121,600	15	17	172	81,700				
Sept	14	11	166	78,850	19	20	227	107,825	12	15	186	88,350	14	12	196	93,100				
Oct	18	18	237	112,575	19	14	237	112,575	18	15	220	104,500	12	14	155	73,625				
Nov	10	10	136	63,650	13	16	216	102,600	16	15	191	90,725	11	9	139	66,025				
Dec	17	19	223	105,925	18	20	223	105,925	13	15	175	83,125	16	15	222	105,450				
TOTAL	166	170	2,154	1,023,150	194	192	2,482	1,178,950	191	191	2,424	1,151,400	192	191	2,451	1,164,225	74	76	994	472,150
Avg/Yr	13.8	14.2	180	85,263	16.2	16.0	207	98,246	15.9	15.9	202	95,950	16.0	15.9	204	97,019	14.8	15.2	199	94,430
ALOS			12.7				12.9				12.7				12.8				13.1	
ADC			5.9				6.8				6.6				6.7				6.5	

Turning Point market area population Age 65+ equals 30, 752. Turning Point 2012 patient day volume equaled 2,451. This ratio of volume to actual Age 65+ population shows an actual patient bed days of 7,970/100,000 65+.

Applying the ratio above to Age 65+ in Woodridge's proposed market showed a need for 4,304 patient bed days per 100,000 Age 65+ population. Thus, our estimate of 2,190 in Year 1 and 2,373 beds in Year 2 are both very conservative.



AMERICAN PSYCHOLOGICAL ASSOCIATION

Mental and behavioral health and older Americans

As America's population ages, the need for mental and behavioral health services continues to increase. Psychologists play a critical role in addressing these needs. Psychologists conduct research on and treat the mental and behavioral health problems that often accompany aging.

The critical need for more geropsychologists

- Geropsychology is a field within psychology devoted to the study of aging and the provision of clinical services for older adults. As researchers, geropsychologists seek to expand knowledge of the normal aging process and design and test psychological interventions that address problems that commonly arise as people age. As health care practitioners, geropsychologists help older persons and their families overcome problems, enhance well-being, and achieve maximum potential during later life. (APA, 2005)
- The Substance and Mental Health Services Administration (SAMHSA) reports that there is an insufficient supply of trained professionals available to provide mental and behavioral health services to older adults. This shortage will become more dire as the aging population grows and the demand for specialized mental and behavioral health services increases. (SAMHSA, 2007)
- Data indicate that only 3% of practicing psychologists view geriatric patients as their primary professional target. The best estimate of currently practicing geropsychologists – 700 – falls far short of the current estimated need for 5,000 to 7,500 geropsychologists. (Qualls et al., 2003)
- Without additional education and training opportunities, psychologists will be unable to meet the increasing demand for mental and behavioral health services as our nation's population ages. (SAMHSA, 2007)

Key findings

- Approximately 20% of adults ages 55 and over suffer from a mental disorder, the most common being anxiety disorders (e.g., generalized anxiety and panic disorders), severe cognitive impairment (e.g., Alzheimer's disease), and mood disorders (e.g., depression and bipolar disorder). (AOA, 2001) In 2005, nearly half of nursing home residents had dementia, and 20 percent had other psychological diagnoses (Houser et al., 2006)
- Researchers estimate that the majority of older adults with a mental disorder do not receive the services they need. (Bartels et al., 2004)
- Less than 3% of older adults see a mental health professional for their mental health problems. (Lebowitz et al., 1997)
- Older adults are less likely than younger persons to both report having mental health problems and seek specialty mental health services. (Mickus, 2000)
- Mental health disorders such as anxiety and depression, adversely affect physical health and one's ability to function, especially in older adulthood. For example, untreated depression in an older person with heart disease can negatively affect the outcome of the disease. (APA, 2005)
- Conversely, older adults with medical conditions such as heart disease have higher rates of depression than those who are medically well. Even mild depression lowers immunity and may compromise a person's ability to fight infections and cancers. (APA, 2005)
- Approximately 70% of the population seeks health care in primary care settings (Regier, 1993), including most older Americans. (Bartels et al., 2004)
- Older Americans underutilize mental health services for a variety of reasons, including inadequate insurance coverage; a shortage of trained geriatric mental health providers; lack of coordination among primary care, mental health and aging service providers; stigma surrounding mental health and its treatment; denial of problems; and access barriers such as transportation. (Bartels et al., 2004)

Anxiety, depression and suicide

- As many as 20% of older adults in the community and up to 37% in primary care settings suffer from depression. Approximately 11% of older adults have anxiety disorders. (AOA, 2001)
- Results from a national survey estimated that 75-95% of nursing home residents have a diagnosable mental disorder, with depression rates estimated at between 30-40%. Over 50% of residents have some form of cognitive impairment, and many nursing home patients have personality disorders exacerbated by chronic health problems. (Gabrel, 2007)
- Depression is a major risk factor for suicide. In 2006, 14.22 of every 100,000 people age 65 and over died by suicide, higher than the rate of 11.16 per 100,000 in the general population, with white men age 85 and over the most likely to commit suicide. (CDC, 2006) Further in 2007 the National Center for Health Statistics reported that men 65 and older have a higher rate than any other age group and more than twice the national rate for all persons. (NCHS, 2007)
- Three-fourths of older adults who die by suicide have seen their physicians in the month before their death. (NIMH, 2007)
- Some late life problems that can result in depression and anxiety include coping with physical health problems, the death of loved ones, relocation to a new living environment, caring for a spouse with dementia or other disabilities, and managing conflict with family members. (APA, 2005)
- Symptoms of depression and anxiety in older Americans are often overlooked and untreated because they can coincide with other late life problems. (APA, 2005)
- Psychologists use psychological interventions, including various psychotherapies and supportive counseling, to help other adults deal with mental health disorders and late life stressors. These interventions have been shown to be effective either alone or in combination with psychiatric medications. (APA, 2005)

Alzheimer's disease and dementia

- Dementia is a syndrome characterized by decline in memory in association with either decline in other cognitive abilities (e.g. judgment) or personality change. (APA, 2008)
- Current estimates suggest that 1 in 8 persons over 65 have Alzheimer's disease and a total of 5.3 million Americans have Alzheimer's disease. (Alzheimers, 2009)
- People with dementia often suffer from depression, paranoia, and anxiety. Psychologists' skills in differential diagnosis and treatment are helpful in these complex cases. Psychologists also teach behavioral and environmental strategies to caregivers of those with dementia to deal with these common behaviors. (APA, 1998)
- Psychologists help individuals who are in early stages of dementia to build coping strategies and reduce their distress through psychotherapy and psychoeducational support groups. Memory training strategies often help to optimize remaining cognitive abilities. (APA, 2005)
- Early diagnosis of Alzheimer's and effective treatment of the problematic behaviors that often accompany dementia are becoming increasingly possible due to the sensitive diagnostic tools and behavioral and environmental interventions developed by psychologists. (APA, 2003)
- Psychologists also assess a person's capacity to make health care or legal decisions. They have been at the forefront in developing instruments used to assess capacities in older adults. (APA, 2005)

Behavioral health

- Incontinence has significant implications for the independence of older adults. It is the second most common reason for families to admit their elder relative to a nursing home and is associated with an increased risk of depression. (SAMHSA, 2007) Psychologists use behavioral training treatments, such as biofeedback and bladder training to reduce incontinence. These treatments have proven to be more effective than drug therapy. (Burgio, 1998)
- Insomnia is prevalent among older adults; 30-60% of all older persons have one or more sleep complaints such as difficulty falling and staying asleep, early morning awakenings, excessive daytime sleepiness and daytime fatigue. (McCurry, 2007) Psychologists have developed effective non-pharmacologic treatments for insomnia, including cognitive-behavioral techniques and sleep hygiene instruction. These interventions are useful for older adults who are especially vulnerable to the adverse effects of sleep medications. (APA, 2005)

Substance abuse

- Alcohol abuse is a significant problem for older Americans. (Bartels et al., 2004)
- It is estimated that 17% of older adults misuse and abuse alcohol and medications. Although the majority of older adults visit a physician regularly, about 40% of those who are at risk for substance abuse problems do not self-identify or seek service and are unlikely to be identified by their physicians. (HHS, 1998)
- Alcohol abuse can lead to malnutrition, cirrhosis of the liver, osteomalacia, and a decline in cognitive functioning, and may be triggered or exacerbated by aging. (HHS, 1998)
- The number of older adults in need of substance abuse treatment is estimated to increase from 1.7 million in 2000 and 2001 to 4.4 million in 2020. (Gfroerer et al., 2003)
- Psychologists can help older adults boost their motivation to stop drinking, identify circumstances that trigger drinking, and learn new methods to cope with high-risk drinking situations. (APA, 2005)

Chronic disease

- An estimated 85% of older adults have at least one chronic illness: approximately 50% have arthritis, 40% have hypertension, 30% have heart disease, 12% have diabetes, 30% have hearing loss, 15% cataracts and 10% have experienced a stroke. (Speer, 2003)
- Negative behaviors that may contribute to the onset of or exacerbate chronic diseases include poor nutrition, inactivity, smoking and alcohol misuse. (Healthy People, 2010)
- Psychologists help older adults manage multiple chronic diseases through treatment adherence and behavioral interventions, including physical activity, biofeedback, nutrition, and stress reduction techniques. (APA, 2005)

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MENTAL- # 1 September 30, 2013 11:58am		LICENSEE NOTICE OF NON-COMPLIANCE AND PLAN OF COMPLIANCE FORM STATE OF TENNESSEE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES		DATE OF NOTICE: October 1, 2012	NOTICE OF NON-COMPLIANCE TO: (licensee's Name & Address) Woodridge of Tennessee, LLC 49 Old Hickory Boulevard Jackson, TN 38305 Attn: Mr. Steve Chesney, Executive Director
NAME AND ADDRESS OF TDMHSAS OFFICE SENDING NOTICE: West Tennessee Office of Licensure and Review 120 Main, 12 th Floor Memphis, TN 38103		EVENT AND DATE RESULTING IN THIS NOTICE: Annual Inspection September 21, 2012		NAME AND LOCATION OF FACILITY IN NON-COMPLIANCE: Madison Oaks Academy 49 Old Hickory Boulevard Jackson, TN 38305 MH Residential Treatment Facility for Children and Youth	
NOTICE TO LICENSEE: Your facility has been found to be in non-compliance with the rule(s) listed on this form. You must provide a plan for complying with each rule cited in non-compliance. Type or print your plan(s) in the space provided on this form. Include the date by which you will be in compliance with each rule cited. Sign and date each page of the form. Return this form by the indicated date to the address of the TDMHSAS Office listed above.				YOUR PLAN OF COMPLIANCE MUST BE RETURNED NO LATER THAN: October 15, 2012	

(Do Not Write in Space Below)

REFERENCE RULE NUMBER 03-13-5	SUMMARY OF THE FINDINGS OF NON-COMPLIANCE WITH THE RULES REFERENCED	P.O.C. Review Code	DESCRIBE BELOW YOUR PLAN FOR COMPLYING WITH EACH RULE IN NON-COMPLIANCE	YOUR PLANNED DATE OF COMPLETION
4-.06(2)(a) 138 Response 32	The gauge on the fire extinguisher in the corridor in the basement was in the recharge zone.		The fire extinguisher was replaced. Monthly inspections will continue on all fire extinguishers and results will be reported in safety committee meetings.	9-21-12
4-.06(2)(a)	Evacuation times for sleep hour fire drills conducted on 3/16/12 and 6/14/12 were 4 minutes and 4 1/2 minutes respectively. These excessive evacuation times were not identified as problematic and a plan to improve was not documented. The facility is designated "prompt evacuation capability" and must evacuate the building in three minutes or less. When times exceed three minutes, problems/reasons resulting in this time and a plan to improve must be documented.		Fire drills were conducted on 9-28-12 (1 st shift), 9-28-12 (2 nd shift), 9-29-12 (1 st shift), 9-29-12 (3 rd shift), 9-30-12 (1 st shift), 9-30-12 (2 nd shift) and 10-4-12 (1 st shift). Form documenting fire drills has been redesigned to clearly indicate identified problems and action steps to improve identified problems. Fire drill results will, as usual, be reviewed in the safety committee and the quarterly committee of the whole.	10-4-12

SIGNATURE OF TDMHSAS REVIEWER OF P.O.C.	DATE OF REVIEW:	SIGNATURE OF LICENSEE OR AUTHORIZED AGENT:	DATE OF SIGNATURE:
		<i>Stephen Cherry</i>	10-15-12

P.O.C. Review Codes: (See Review & Approval Status Form For Explanations.)

A=Approved.

AE=Approved With Exception.

RR=Rejected-Resubmit.

RS=Rejected-Sanction.

SUPPLEMENTAL- # 1 **September 30, 2013** **11:58am** **LICENSEE NOTICE OF NON-COMPLIANCE** **AND PLAN OF COMPLIANCE FORM** (Continuation Page)

DATE OF NOTICE: October 1, 2012		NOTICE OF NON-COMPLIANCE TO: (Licensee's Name) Woodridge of Tennessee, LLC
Page <u>2</u> of <u>7</u> Page(s)		NAME OF FACILITY IN NON-COMPLIANCE: Madison Oaks Academy

REFERENCE NUMBER 0940-5-	SUMMARY OF THE FINDINGS OF NON-COMPLIANCE WITH THE RULES REFERENCED	P.O.C. Review Code*	DESCRIBE BELOW YOUR PLAN FOR COMPLYING WITH EACH RULE IN NON-COMPLIANCE	YOUR PLANNED DATE OF COMPLETION
5-02(1)	Three large containers of lighter fluid were stored in a storage area in the cafeteria in a white bucket, creating a potential hazard in the event of a fire. Three spray cans of Kiltz were stored in the Boiler Room.		The containers of lighter fluid were removed immediately from the storage area in the cafeteria. Training will be conducted with dietary staff concerning appropriate storage of any hazardous materials after the new dietary manager starts the week of October 15, 2012.	10-15-12
5-02(1)	One of the rooms on Spring Hall was being used as a quiet room. There was a long telephone wire that had come loose and was hanging down against the wall, creating a potential hazard.		The spray cans of Kiltz were removed from the boiler room immediately. Additional trainings will be conducted with Plant Operations so that no hazardous materials will be stored in the boiler room.	9-22-12
139 Response 32			The telephone wire was removed. The room will no longer used as a room for residents to spent quiet time as a de-escalation technique.	9-24-12
5-02(1), 4-06(2)(a)	The door to the quiet room on Spring Hall was equipped with a lock that when engaged was capable of locking staff out of the room. While the licensee's intent is to have staff present at the door for the purpose of supervision, this still has the potential to create a hazard in an emergency situation. Note: this room was previously used as an office for staff		The room will no longer used as a room for residents to spent quiet time as a de-escalation technique.	9-24-12

SIGNATURE OF TDMHSAS REVIEWER OF P.O.C.:	DATE OF REVIEW:
SIGNATURE OF LICENSEE OR AUTHORIZED AGENT:	
DATE OF SIGNATURE:	

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**LICENSEE NOTICE OF NON-COMPLIANCE
 AND PLAN OF COMPLIANCE FORM**
 (Continuation Page)

DATE OF NOTICE: October 1, 2012		NOTICE OF NON-COMPLIANCE TO: (Licensee's Name) Woodridge of Tennessee, LLC
Page <u>3</u> of <u>7</u> Page(s)		NAME OF FACILITY IN NON-COMPLIANCE: Madison Oaks Academy

(Do Not Write in Space Below)

REFERENCE NUMBER (06-0-3-)	SUMMARY OF THE FINDINGS OF NON-COMPLIANCE WITH THE RULES REFERENCED	P.O.C. Review Code*	DESCRIBE BELOW YOUR PLAN FOR COMPLYING WITH EACH RULE IN NON-COMPLIANCE	YOUR PLANNED DATE OF COMPLETION
5-02(1)	The ceiling light just inside the entrance to the boys' unit was cracked and had a hole in it, creating a potential hazard.		The light fixture was replaced. Plant Operations will use a weekly "punch" list as a method to prioritize and complete any maintenance issues on all three units.	10-1-12
5-02(1,2)	A male kitchen staff wheeled a cart with a container of hot chicken wings into the cafeteria in preparation for lunch (during the inspection). At the time, the container was not covered and the cafeteria had not been cleaned from breakfast. Water was pooled on the floor in front of the serving area that was dripping from a container of water. A wet rag was on the floor. Trash was on the floor around the garbage can and tables had not been cleaned off. The floor was dirty and had not been swept or mopped. When the kitchen staff saw the surveyor, he went to the kitchen to retrieve aluminum foil and covered the chicken. He rolled the food back into the kitchen, returned to the cafeteria with a mop and a bucket and started sweeping the floor.		A new dietary manager will assume dietary responsibilities effective the week of October 15, 2012. The new dietary manager will receive training from the local health department concerning proper food handling, etc. as soon as the next class is available. With this change, all dietary staff will receive training concerning the proper handling of foods, the proper storage of food and maintaining an appropriate cleaning schedule. A log will be maintained recording all cleaning activities for the kitchen and cafeteria areas.	10-15-12
5-02(2)	The vents in many of the bathrooms on Summer Hall were covered with a very thick accumulation of dust and dirt.		The vents were cleaned. Cleaning of vents will be included in the weekly "punch" inventory of maintenance issues for all three units.	9-28-12

140
 Response 32

SIGNATURE OF TDMHSAS REVIEWER OF P.O.C.:

DATE OF REVIEW:

SIGNATURE OF LICENSEE OR AUTHORIZED AGENT:

DATE OF SIGNATURE:

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September 30, 2013
11:58am

**LICENSURE NOTICE OF NON-COMPLIANCE
AND PLAN OF COMPLIANCE FORM**
(Continuation Page)

DATE OF NOTICE:

October 1, 2012

NOTICE OF NON-COMPLIANCE TO: (Licensee's Name)
Woodridge of Tennessee, LLC

Page 4 of 7 Page(s)

NAME OF FACILITY IN NON-COMPLIANCE:
Madison Oaks Academy

(Do Not Write in Space Below)

REFERENCE FILE NUMBER 09-00-5-	SUMMARY OF THE FINDINGS OF NON-COMPLIANCE WITH THE RULES REFERENCED	P.O.C. Review Code*	DESCRIBE BELOW YOUR PLAN FOR COMPLYING WITH EACH RULE IN NON-COMPLIANCE	YOUR PLANNED DATE OF COMPLETION
5-02(2)	The inside of the refrigerator and freezer in the School was dirty. A popsicle melted in the freezer and a substance spilled in the refrigerator.		The inside of the refrigerator and freezer was cleaned. A log will be maintained by the education department so that the weekly cleaning of the school kitchen area will be documented.	10-1-12
5-02(2)	There was a build-up of grease and dirt inside the oven and on the drip pans under the burners on the stove top in the kitchen in the School.		The oven and stove top was cleaned. A log will be maintained by the education department so that the weekly cleaning of the school kitchen area will be documented.	10-1-12
5-02(2)	The kitchen floor and the hall floor between the kitchen and the cafeteria were dirty. The hall floor was smeared with dirt.		The floor area was cleaned and buffed. A log will be maintained recording all cleaning activities for the kitchen and cafeteria areas.	10-15-12
5-02(2)	The area around the faucet in the hand wash sink in the kitchen had an accumulation of dirt around it.		The hand wash sink was cleaned. A log will be maintained recording all cleaning activities for the kitchen and cafeteria areas.	10-15-12
SIGNATURE OF TDMHSAS REVIEWER OF P.O.C.:		DATE OF REVIEW:	SIGNATURE OF LICENSEE OR AUTHORIZED AGENT:	
			10-15-12	

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SUPPLEMENTAL- # 1
September 30, 2013
11:58am

LICENSEE NOTICE OF NON-COMPLIANCE
AND PLAN OF COMPLIANCE FORM
 (Continuation Page)

DATE OF NOTICE:
 October 1, 2012

NOTICE OF NON-COMPLIANCE TO: (Licensee's Name)
 Woodridge of Tennessee, LLC

NAME OF FACILITY IN NON-COMPLIANCE:
 Madison Oaks Academy

Page 5 of 7 Page(s)

REFERENCE NUMBER	SUMMARY OF THE FINDINGS OF NON-COMPLIANCE WITH THE RULES REFERENCED	P.O.C. Review Code*	DESCRIBE BELOW YOUR PLAN FOR COMPLYING WITH EACH RULE IN NON-COMPLIANCE	YOUR PLANNED DATE OF COMPLETION
5002(2)	The ceiling light in the dry storage room and in the exam room on the girls' hall contained an accumulation of dead bugs.		The ceiling lights in the dry storage area and in the exam room was cleaned. Plant Operations will use a weekly "punch" list as a method to prioritize and complete any maintenance issues on all three units.	9-28-12
5-02(2)	The inside of the microwave on the girl's hall was sticky, dirty and splattered with food.		The microwave oven on the girl's hall was cleaned. Housekeeping now cleans the microwave oven on a daily basis as part of their assigned daily responsibilities.	9-28-12
5-02(4)	A sign had been placed on the exterior door outside the kitchen corridor that stated, "Please leave exit door closed at night you are letting animals in the building" Ms. Ann. Staff is reportedly going out this door at night to smoke and has been propping the door open with a chair that is sitting just outside the door.		The sign has been removed. The new dietary manager will monitor the appropriate use of the door.	10-5-12

SIGNATURE OF TCMHSAS REVIEWER OF P.O.C.: _____ **DATE OF REVIEW:** _____

SIGNATURE OF LICENSEE OR AUTHORIZED AGENT: *Stephan Cherry* **DATE OF SIGNATURE:** *10-15-12*

SUPPLEMENTAL- # 1

September 30, 2013 11:58am

LICENSEE NOTICE OF NON-COMPLIANCE AND PLAN OF COMPLIANCE FORM (Continuation Page)

DATE OF NOTICE:

October 1, 2012

Page 6 of 7 Page(s)

NOTICE OF NON-COMPLIANCE TO: (Licensee's Name)
Woodridge of Tennessee, LLC

NAME OF FACILITY IN NON-COMPLIANCE:
Madison Oaks Academy

(Do Not Write in Space Below)

REFERENCE FILE NUMBER 0910-5-	SUMMARY OF THE FINDINGS OF NON-COMPLIANCE WITH THE RULES REFERENCED	P.O.C. Review Code*	DESCRIBE BELOW YOUR PLAN FOR COMPLYING WITH EACH RULE IN NON-COMPLIANCE	YOUR PLANNED DATE OF COMPLETION
5-03(1)(c)	A bed in #7 on Summer Hall was not equipped with a top sheet. In addition, the bottom sheet had two holes in it. <i>The governing body must ensure that each client is provided with the following: Clean linens consisting of both a top and bottom sheet, which are clean, in good repair, and are changed as often as needed, but at least weekly.</i> <u>This is a repeat deficiency from the September 28, 2011 inspection.</u>		Linens are currently changed once a week. If the linens are in disrepair, they are exchanged during this weekly process. Supervisors will conduct daily room checks to ensure that clean top and bottom linens are maintained as required.	10-1-12
5-03(4)(f)	Toilet paper in the exam room on the girls' hall was not properly mounted to ensure it remains sanitary. A roll to toilet paper was sitting atop the grab bar in the girls' bathroom in the School. <u>Maintaining toilet paper in an unsanitary manner is a repeat deficiency from the October 22, 2007, September 3, 2008, January 9, 2009, September 14, 2009, August 17, 2010, and September 28, 2011 inspections.</u>		The bathrooms on the education hall will be inspected on daily basis by the director of education or his designee. A log will be maintained to document the daily inspections of the bathrooms.	10-1-12
5-03(7)	Both outside recreation areas had an abundance of trash on the ground.		The area outside of the fenced in basketball court was cleaned. Housekeeping will maintain this area on a weekly basis. Additionally, extra weekly dumpster pick-ups have been scheduled with the trash management company.	10-10-12

SIGNATURE OF TDMHSAS REVIEWER OF P.O.C.:

DATE OF REVIEW:

SIGNATURE OF LICENSEE OR AUTHORIZED AGENT:

DATE OF SIGNATURE:

Stephen Chang

10-15-12

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**LICENSEE NOTICE OF NON-COMPLIANCE
AND PLAN OF COMPLIANCE FORM**
(Continuation Page)

DATE OF NOTICE: October 1, 2012		NOTICE OF NON-COMPLIANCE TO: (Licensee's Name) Woodridge of Tennessee, LLC
Page <u>7</u> of <u>7</u> Page(s)		NAME OF FACILITY IN NON-COMPLIANCE: Madison Oaks Academy

(Do Not Write in Space Below)

REFERENCE NUMBER (0940-5-)	SUMMARY OF THE FINDINGS OF NON-COMPLIANCE WITH THE RULES REFERENCED	P.O.C. Review Code*	DESCRIBE BELOW YOUR PLAN FOR COMPLYING WITH EACH RULE IN NON-COMPLIANCE	YOUR PLANNED DATE OF COMPLETION
5-05(12)	An individual pack of Corn Flakes was on the floor under the shelves in the dry storage room in the kitchen. An individual food bar was on the floor in the walk-in freezer.		These items were removed and the areas were cleaned. A new dietary manager will assume dietary responsibilities effective the week of October 15, 2012. The new dietary manager will receive training from the local health department concerning proper food handling, etc. as soon as the next class is available. With this change, all dietary staff will receive training concerning the proper handling of foods, the proper storage of food and maintaining an appropriate cleaning schedule. A log will be maintained recording all cleaning activities for the kitchen and cafeteria areas.	10-15-12
5-05(13)	The garbage cans in the cafeteria, the kitchen, and the school containing food waste were not equipped with a tight-fitting lid.		These trash cans have been replaced with trash cans with tight-fitting lids. Trainings will be conducted with managers in all these areas concerning maintaining trash cans with tight-fitting lids.	10-1-12
5-05(14)	A large garbage can was located at the end of the corridor where the kitchen is located. A dark substance was pooled on the floor beside the garbage can. Staff indicated garbage was being removed in bags from the kitchen sometimes at the end of the day and placed on the floor beside the garbage can where liquid then seeps onto the floor. <u>Garbage (food waste) containers must be emptied daily from the facility into secure containers located outside of the facility.</u>		This area was cleaned immediately. The trash management company has agreed to increase dumpster pick-ups on a weekly basis.	10-10-12

SIGNATURE OF TDMHSAS REVIEWER OF P.O.C.:

DATE OF REVIEW:

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Response 33

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in T.C.A. § 68-11-1609(c): 12/13

Assuming the CON approval becomes the final agency action on that date; indicate the number of days from the above agency decision date to each phase of the completion forecast.

<u>Phase</u>	<u>DAYS REQUIRED</u>	<u>Anticipated Date (MONTH/YEAR)</u>
1. <u>Architectural and engineering contract signed</u>	1	10/13
2. <u>Construction documents approved by the Tennessee Department of Health</u>	30	12/13
3. <u>Construction contract signed</u>	1	11/13
4. <u>Building permit secured</u>	30	12/13
5. <u>Site preparation completed</u>	0	10/13
6. <u>Building construction commenced</u>	60	01/14
7. <u>Construction 40% complete</u>	120	02/14
8. <u>Construction 80% complete</u>	150	03/14
9. <u>Construction 100% complete (approved for occupancy</u>	180	04/14
10. <u>*Issuance of license</u>	210	05/14
11. <u>*Initiation of service</u>	220	05/14
12. <u>Final Architectural Certification of Payment</u>	221	05/14
13. <u>Final Project Report Form (HF0055)</u>	221	05/14

* For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

0101682395

Newspaper: Jackson Sun 7 Day**State Of Tennessee****Account Number:** 300262JS**Advertiser:** AMERIS ACQUISITIONS**RE:** NOI WOODRIDGE OF WEST TENNESSEEI, Y Perry Sales Assistant for theabove mentioned newspaper, hereby certify that the attached
advertisement appeared in said newspaper on the following dates:9/10/2013 Y Perry

2013

Subscribed and sworn to me this 26 day of Sept,Sola Bates
NOTARY PUBLIC

COPY-

SUPPLEMENTAL-2

**Woodridge of West Tennessee,
LLC**

CN1309-035

OCT 8 2013 1:58

Woodridge of West Tennessee, LLC

Application for CON 1309-035

Responses to 2nd Supplemental Questions

October 8, 2013

150
AMERIS ACQUISITIONS, LLC
1114 17th Avenue South, Suite 205
Nashville, Tennessee 37212
615-327-4440 (phone); 615-327-0898 (fax)

SUPPLEMENTAL- # 2

OCTOBER 8 2013

2:02pm

0018131158

October 8, 2013

Mr. Phillip M. Earhart
HSD Examiner
State of Tennessee
Health Services and Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Boulevard
Nashville, TN 37243

RE: Certificate of Need Application 1309-035
Woodridge of West Tennessee

Dear Mr. Earhart,

We are in receipt of your email of October 2, 2013 wherein you provided us with an electronic version of a letter requesting additional supplemental information for our Certificate of Need Application 1309-035 for a sixteen (16) bed geriatric inpatient psychiatric facility located at 49 Old Hickory Blvd, Jackson (Madison County), TN 38305.

You requested that we submit our responses to you no later than **12:00 PM, Wednesday, October 9, 2013.** Below is the list of items for which you requested clarification or additional discussion.

1. Section B, Project Description, Item 1

In the supplemental response the applicant states the proposed facility is approximately 106,000 square feet. In the original application the applicant states the facility will be located in a 48,000 square foot building. Please clarify.

What is the square footage of the first floor?

It appears the proposed facility will utilize 7,000 square feet of a wing located on the first floor. What are the plans for the remaining first floor space?

What is the basement space currently used for?

RESPONSE: The square footage of the proposed facility is 109,549 square feet. Square footage of the first floor by computer-aided design and drafting ("CADD") digitizing is

56,066 square feet. The actual area to be renovated for the proposed facility is 9,159 square feet of existing space located on the first floor.

Plans for the remaining area of the first floor have not been developed as of this date. However, conceptual plans may include the addition of acute adult psych, acute adolescent psych and adult alcohol and drug units.

The basement is used for maintenance and storage.

2. Section B, Project Description Item III.A.(Plot Plan)

The enclosed GIS map and plot plan labeled "Response 8 (a) and Response 8 (b)" is noted. However, the plot plan remains not legible. Please resubmit a legible plot plan that:

- provides the size of the site (in acres)
- clearly identifies the location of the building on the site.
- clearly identifies the location of the proposed project within the building.
- identifies all street, roads, or highways that cross or border the site.

A sample plot plan that includes all the required elements is attached.

RESPONSE: Please see enclosed plot plan labeled "Response 2".

3. Section B, Project Description, Item B.IV

The floor plans submitted are noted. The drawings included in the application remain too small to be legible and permit the Agency a clear understanding of what the applicant is proposing. Please provide larger, more detailed images with legible room labels of your project. Please outline the proposed geriatric psychiatric unit within the first floor plan.

RESPONSE: Please see enclosed floor plan diagrams labeled "Response 3 (a)", "Response 3 (b)" and "Response 3 (c)" respectively.

4. Section C. Economic Feasibility Item 1 (Project Cost Chart)

Please clarify the reason why there are the following discrepancies in the project Construction Cost:

- The Project Costs Chart dated September 13, 2013 has Construction Cost at **\$800,000**
- The Letter of Intent dated September 10, 2013 Construction Cost is listed as **\$700,000**, and

- The Notification of Intent to apply a for a Certificate of Need as listed in the Jackson Sun, dated September 10, 2013, with construction cost listed at \$900,000

RESPONSE: The correct estimated construction cost is \$800,000 as stated in the Project Costs Chart dated September 13, 2013 as well as in the Project Costs Chart dated September 30, 2013. The misstated amounts were errors not corrected in final review.

Please provide documentation from a licensed architect or construction professional:

- 1) a general description of the project,
- 2) his/her estimate of the cost to construct the project to provide a physical environment, according to applicable federal, state and local construction codes, standards, specifications, and requirements and
- 3) attesting that the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the new 2010 AIA Guidelines for Design and Construction of Hospital and Health Care Facilities.

A sample architect's letter is attached for review.

RESPONSE: Please see enclosed architect's letter labeled "Response 4 (a)" and a project pricing package labeled Response 4 (b)".

5. Section C, Need, Item 3.

The submitted color map of Tennessee is noted. However, please provide a map of the entire state of Tennessee with boundary lines between all counties.

A sample map is included for your review.

RESPONSE: Please see enclosed Tennessee County map labeled "Response 5". The proposed service area is marked with dark boundary lines.

6. Section C. Economic Feasibility Item 3 (Reasonableness of Project Cost)

Please compare the cost per square foot of renovated construction to hospital projects recently approved by the Health Services and Development Agency.

The latest HSDA Hospital Construction Cost per Square Foot analysis for projects approved by the HSDA 2010-2012 is provided at the following web-site: http://tennessee.gov/hsda/applicants_tools/docs/Construction%20Cost%20Per%20Square

Please provide the Fair Market Value of the hospital building in the Project Costs Chart and re-submit a revised Project Costs Chart. The applicant should apply the percentage of square footage of the proposed gero-psych unit as it relates to the hospital building. Please do not determine fair market cost by applying a percentage to renovation costs.

For example, if the fair market value of a 10,000 sq. ft. facility is \$1,000,000, and the proposed unit is 1,000 sq. ft., the fair market value would be \$100,000 ($1,000,000/10,000=\100.00 sq.ft., $\$100.00$ sq. ft. x 1,000= $\$100,000$).

RESPONSE: The website listed above does not exist. Please see enclosed construction costs chart labeled as "Response 6 (a)". Please see enclosed exhibit labeled "Response 6 (b)". This exhibit includes the relevant pages of a 2011 appraisal showing a fair market value for the hospital building of \$2.7 million. The total square footage is 109,549 of which 9,159 will comprise the gero-psych unit. Thus, using the calculation above the value of the gero-psych facility would be \$225,737. However, the calculation above does not take into account that the 9,159 square feet is currently unfinished space. Please see an updated Project Costs Chart labeled "Response 6 (c)".

7. Section C. Economic Feasibility Item 4. (Historical Data Chart and Projected Data Chart)

Please clarify what WTN stands for.

RESPONSE: "WTN" stands for Woodridge of Tennessee, LLC and was stated as such in Response 2 and its corresponding exhibit of an organizational chart labeled "Response 2" contained in our supplemental responses dated September 30, 2013.

8. Section C. Economic Feasibility Item 5

The average gross charge per patient day in Year one of \$1,100 appears to be correct. Please recalculate the project's average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please use total gross operating revenue, total deductions and net operating revenue in your calculations.

RESPONSE: Using the data from the Projected Data Chart for Year 1 and Year 2 of the proposed project as referenced above, the project's average deduction from operating revenue is \$396.43. Average net operating revenue is \$703.57.

9. Section C, Economic Feasibility, Item 6.A. and 6.B.

The applicant states the Medicare contractual write-off of \$821,150 or 34.1% of charges in Year One. It appears this calculates to \$821,469. Please verify. It appears there will be 156 admissions in Year One. The applicant calculates the contractual write-off per admission of \$5,249.17. Please recalculate.

RESPONSE: 34.1% is a rounding of 34.08675%. The recalculation of \$5,249.17 is \$5,264.42.

The applicant states Baptist Memorial Hospital (CN1205-21A) has not been in operation long enough to obtain comparative charges. Please review Baptist Memorial Hospital's proposed charges in their Certificate of Need application and compare those to the proposed charges of Woodridge of West Tennessee, LLC (CN1309-035).

RESPONSE: Baptist Memorial Hospital's proposed charges found in their certificate of need application (CN1205-21A) are rounded below and compared to Woodridge of West Tennessee's proposed charges, which are also rounded (CN1309-035).

	Woodridge of West Tennessee (CN1309-035)	Baptist Memorial Hospital (CN1205-21A)
Average Gross Charge per diem (Revenue)	\$1,100	\$2,074
Average Deduction per diem (Contractual)	\$396	\$1,259
Average Net Charge per diem (Revenue)	\$704	\$815

10. Section C, Economic Feasibility, Item 9.

The response is noted. Please clarify what PPACA stands for.

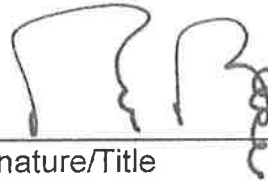
RESPONSE: "PPACA" stands for Patient Protection and Affordable Care Act of 2010, which is also referred to as "Obamacare."

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DavidsonNAME OF FACILITY: Woodridge of West Tennessee, LLC

I, Robert Bauer, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.



Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 8th day of October, 2013
witness my hand at office in the County of Davidson, State of Tennessee.

Mary Kathryn Grisham
NOTARY PUBLIC

My commission expires May 5, 2015

HF-0043

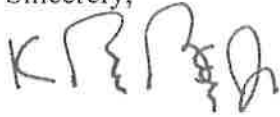
Revised 7/02



OCTOBER 8 2013**2:02pm**

In addition to the supplemental responses and affidavit above, please find enclosed herein response exhibits. If you require additional information, please do not hesitate to contact me at 615-327-4440.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Robert Bauer, Jr.", with a stylized flourish at the end.

K. Robert Bauer, Jr.
President & CEO
Ameris Acquisitions, LLC

Woodridge of West Tennessee, LLC
Application for CON 1309-035

Response Exhibits to 2nd Supplemental Questions
October 8, 2013

C. ROSS ARCHITECTURE L.L.C.

October 2, 2013

Mr. Neil Campbell, CEO
Woodridge Behavioral Care
162 Cude Lane
Madison, TN 37115

**RE: CERTIFICATE OF NEED APPLICATION 1309-035
HSDA LETTER OF OCTOBER 2, 2013
WOODRIDGE OF WEST TENNESSEE
COMMENT 4, ITEM 3.**

Dear Neil:

We will respond to portions of Comment 4 as follows:

Comment 1: A general description of the project.

Response: The project will be 9,159 Ft² of minor and major renovations. The renovation is in an existing original Acute Care patient wing. There will be 14 beds in semi-private configuration and 2 beds in private rooms. All toilets will be renovated. Many required ancillary support spaces are already existing. Other spaces will be constructed as needed. The entire unit will have new floor, wall, and ceiling finishes.

All security requirements will be met and explained in a following question. The renovated space will have the mechanical-plumbing-electrical upgraded to current codes. The entire unit will be mag locked for security. There will be an outdoor secure area for patient access.

Comment 2: His/her estimate of the cost to construct the project to provide a physical environment, according to applicable federal, state and local construction codes, standards, specifications, and requirements.

Response: The cost estimate for this work is \$800,000. This is a square footage code of \$87.34 for the entire unit. Obviously some areas will cost more and some will cost less. This will bring the unit up to all current code requirements.

Comment 3: Attesting that the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the new 2010 AIA Guidelines for Design and Construction of Hospital and Health Care Facilities.

Mr. Neil Campbell
October 2, 2013
Page 2

SUPPLEMENTAL- # 2
OCTOBER 8 2013
2:02pm

This correspondence is being issued as a testament that the submitted estimate of cost for the proposed interior renovation of 9,159 square feet is \$800,000.00 and is based on comparative estimates of similar construction in similar situations.

I attest that the design and construction information submitted is consistent with the design and cost of similar facilities in the region. The physical environment will conform to the applicable federal, state, and local construction codes, standards, and manufacturers specifications and licensing agencies' requirements, including the current *2010 Guidelines for The Design and Construction of Health Care Facilities*.

Neil, we believe this responds to our portion of comment #4. Please advise if we can be of further assistance.

Sincerely,

C. ROSS ARCHITECTURE L.L.C.



R. Christopher Ross, III, AIA

blp

Years: 2010 – 2012

	Renovated Construction	New Construction	Total Construction
1 st Quartile	\$50.00/sq ft	\$200.00/sq ft	\$78.42/sq ft
Median	\$100.47/sq ft	\$252.74/sq ft	\$166.28/sq ft
3 rd Quartile	\$166.28/sq ft	\$292.61/sq ft	\$244.26/sq ft

Source: CON approved applications for years 2010 through 2012

Hospital Construction Cost Per Square Foot

Years: 2010 – 2012

	Renovated Construction	New Construction	Total Construction
1 st Quartile	\$99.12/sq ft	\$234.64/sq ft	\$167.99/sq ft
Median	\$177.60/sq ft	\$259.66/sq ft	\$235.00/sq ft
3 rd Quartile	\$249.00/sq ft	\$307.80/sq ft	\$274.63/sq ft

Source: CON approved applications for years 2010 through 2012

Nursing Home Construction Cost Per Square Foot

Years: 2010 – 2012

	Renovated Construction	New Construction	Total Construction
1 st Quartile	\$19.30/sq ft	\$164.57/sq ft	\$73.23/sq ft
Median	\$35.76/sq ft	\$167.31/sq ft	\$164.57/sq ft
3 rd Quartile	\$55.00/sq ft	\$181.72/sq ft	\$167.61/sq ft

Source: CON approved applications for years 2010 through 2012

Outpatient Diagnostic Center Construction Cost Per Square Foot

Years: 2010 – 2012

Due to insufficient sample size, Construction ranges are not available.

COPY-

SUPPLEMENTAL-3

Woodridge of West Tennessee,
LLC

CN1309-035

Woodridge of West Tennessee, LLC

Application for CON 1309-035

Responses to Supplemental Questions

October 16, 2013

October 16, 2013

Mr. Phillip M. Earhart
HSD Examiner
State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
500 Deaderick Street
Nashville, TN 37243

RE: Certificate of Need Application 1309-035
Woodridge of West Tennessee

Dear Mr. Earhart:

This will acknowledge receipt of your email of October 11, 2013 wherein you requested our additional supplemental responses for a sixteen (16) bed geriatric inpatient psychiatric facility located at 49 Old Hickory Blvd, Jackson (Madison County), TN 38305. Please see the following clarification or additional discussion of questions posed below. Responses are in triplicate and will be submitted no later than the deadline of **12:00 PM, Friday, October 18, 2013.**

1. Section C. Economic Feasibility Item 3 (Reasonableness of Project Cost)

The latest HSDA Hospital Construction Cost per Square Foot for projects approved by the HSDA 2010-2012 is noted. However, please compare the cost per square foot of renovated construction in the proposed project to hospital projects recently approved by the Health Services and Development Agency. Please provide your response in narrative form.

RESPONSE: The estimated cost per square foot for the renovation of 9,159 square feet of existing space for the proposed project is \$87.35. This amount is derived from an estimated total cost of renovation which is approximately \$800,000.00 ($\$800,000/9,159 = \87.34578). As noted in previous submissions of supplemental responses, the HSDA Hospital Construction Cost per Square Foot for projects approved by the HSDA 2010-2012 is not exactly comparable to the renovation costs of the proposed project here.

Thus, to present a cost associated with "like" projects, we submitted an estimated cost per square foot of \$111.58 contained in CN 1205-21A submitted by Baptist Memorial Hospital for its Carroll County facility, which is also planned to be a GPU. The cost per square foot to renovate an existing facility for the GPU we propose is approximately \$24.23 per square foot less expensive than the cost submitted by Baptist Memorial

Hospital in CN 1205-21A. As a percentage, our cost per square foot is 21.72% less than the cost estimated by Baptist Memorial Hospital.

2. Section C. Economic Feasibility Item 5

The recalculation of the project's average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project is noted. However, the calculations appear to be partially incorrect. Please verify the following calculations:

	Average Gross Charge	Average Deduction	Average Net Charge
Year One	\$1,100.00 (\$2,409,000/2,190)	\$375.00 (\$821,250/2,190)	\$725.00 (\$1,587,750/2,190)
Year Two	\$1,100.00 (\$2,609,750/2,373)	\$375.00 (\$889,688/2,373)	\$725.00 (\$1,720,063/2,373)

RESPONSE: Please see verification of calculations in the table below.

	Average Gross Charge	Average Deduction	Average Net Charge
Year One	\$1,100.00 (\$2,409,000/2,190)	\$375.00 (\$821,250/2,190)	\$725.00 (\$1,587,750/2,190)
Year Two	\$1,099.76822 (\$2,609,750/2,373)	\$374.92119 (\$889,688/2,373)	\$724.84745 (\$1,720,063/2,373)

3. Section C, Economic Feasibility, Item 6.A. and 6.B.

The comparison of Baptist Memorial Hospital's proposed charges in their Certificate of Need application to the proposed charges of Woodridge of West Tennessee, LLC (CN1309-035) is noted. However, please revise your response to include revised calculations for the average gross charge, average deduction and average net charge as reflected in the table above in question #2.

RESPONSE: Please see revised calculations for average gross charge, average deduction and average net charge for Years 1 and 2 in the tables below.

Year 1

Entity	Average Gross Charge	Average Deduction	Average Net Charge
WTN, LLC (CN1309-035)	\$1,100.00	\$375.00	\$725.00
Baptist Memorial Hospital (CN1205-21A)	\$2,074.09	\$1,262.6708	\$811.41917

Year 2

Entity	Average Gross Charge	Average Deduction	Average Net Charge
WTN, LLC (CN1309-035)	\$1,099.76822	\$374.92119	\$724.84745
Baptist Memorial Hospital (CN1205-21A)	\$2,074.0901	\$1,262.2761	\$811.814

OCTOBER 16, 2013

2:22pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DavidsonNAME OF FACILITY: Woodridge of West Tennessee, LLC

I, Robert Bauer, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

[Signature] - CED
Signature/Title Americis

Sworn to and subscribed before me, a Notary Public, this the 15th day of October, 2013, witness my hand at office in the County of Davidson, State of Tennessee.

[Signature]
NOTARY PUBLIC

My commission expires August 23, 2016.

HF-0043

Revised 7/02



My Commission Expires AUG. 23, 2016

OCTOBER 16, 2013**2:22pm**

The affidavit you requested is above. Should you have any questions or require additional information, please do not hesitate to contact me at 615-327-4440.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Robert Bauer, Jr.", with a stylized flourish at the end.

K. Robert Bauer, Jr.
President & CEO
Ameris Acquisitions, LLC



SEP 10 13 AM 5:54

LETTER OF INTENT TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the **Jackson Sun** which is a newspaper of general circulation in **Madison**, Tennessee, on or before **September 10**, 20**13** for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency,

Woodridge of West Tennessee, LLC

(Name of Applicant)

New

(Facility Type-Existing)

owned by: **Woodridge of Tennessee, LLC**

with an ownership type of **LLC**

and to be managed by: **Ameris Acquisitions, LLC**

intends to file an application for a Certificate of Need

for [PROJECT DESCRIPTION BEGINS HERE]:

Proposal of a new sixteen (16) bed Geriatric Psychiatric Facility. The Facility will be located at 49 Old Hickory Blvd, Jackson, TN 38305. The cost of construction is estimated to be \$700,000 and first year operating costs are expected to be \$1,072,000. The facility will be managed by Ameris Acquisitions, LLC

The anticipated date of filing the application is: **September 13**, 20**13**

The contact person for this project is **Robert Bauer**

(Contact Name)

CEO

(Title)

who may be reached at: **Ameris Acquisitions, LLC**

(Company Name)

1114 17th Ave South, #205

(Address)

Nashville

(City)

TN

(State)

37212

(Zip Code)

615/327-4440

(Area Code / Phone Number)

(Signature)

9/5/2013

(Date)

krbauerjr@aol.com

(E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

COPY-

Application

Woodridge of

West TN

CN1309-035

SEP 19 '13 PM 1:58

1. **Name of Facility, Agency, or Institution**

Woodridge of West Tennessee

Name

49 Old Hickory Blvd

Street or Route

Jackson

City

TN

State

Madison

County

38305

Zip Code

2. **Contact Person Available for Responses to Questions**

Robert Bauer

Name

CEO

Title

Ameris Acquisitions, LLC Suite 205

Company Name

krbauerjr@aol.com

Email address

1114 17th Ave South

Street or Route

Nashville

City

TN

State

37212

Zip Code

Management Company

Association with Owner

615-327-4440

Phone Number

615-538-2631

Fax Number

3. **Owner of the Facility, Agency or Institution**

Woodridge of West Tennessee, LLC

Name

615-860-9230

Phone Number

162 Cude Lane

Street or Route

Davidson

County

Madison

City

TN

State

37115

Zip Code

4. **Type of Ownership of Control (Check One)**

A. Sole Proprietorship

B. Partnership

C. Limited Partnership

D. Corporation (For Profit)

E. Corporation (Not-for-Profit)

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

F. Government (State of TN or Political Subdivision)

G. Joint Venture

H. Limited Liability Company

I. Other (Specify) _____

<input type="checkbox"/>
<input type="checkbox"/>
<input checked="" type="checkbox"/>
<input type="checkbox"/>

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

5. **Name of Management/Operating Entity (If Applicable)**

Ameris Acquisitions, LLC

Name

1114 17th Ave South #205

Street or Route

Nashville

City

TN

State

Davidson

County

37212

Zip Code

**PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.**

6. **Legal Interest in the Site of the Institution (Check One)**

A. Ownership

☒

D. Option to Lease

☐

B. Option to Purchase

☐

E. Other (Specify) _____

☐

C. Lease of _____ Years

☐

**PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.**

7. **Type of Institution (Check as appropriate--more than one response may apply)**

A. Hospital (Specify)

☐

I. Nursing Home

☐

B. Ambulatory Surgical Treatment
Center (ASTC), Multi-Specialty

☐

J. Outpatient Diagnostic Center

☐

C. ASTC, Single Specialty

☐

K. Recuperation Center

☐

D. Home Health Agency

☐

L. Rehabilitation Facility

☐

E. Hospice

☐

M. Residential Hospice

☐

F. Mental Health Hospital

☒

N. Non-Residential Methadone
Facility

☐

G. Mental Health Residential

☐

O. Birthing Center

☐

H. Mental Health Residential

☐

P. Other Outpatient Facility

☐

H. Mental Retardation Institutional
Habilitation Facility (ICF/MR)

☐

(Specify) _____

☐

Q. Other (Specify) _____

☐

8. **Purpose of Review (Check) as appropriate--more than one response may apply)**

A. New Institution

☒

G. Change in Bed Complement

B. Replacement/Existing Facility

☐

[Please note the type of change
by underlining the appropriate
response: Increase, Decrease,
Designation, Distribution,
Conversion, Relocation]

☐

C. Modification/Existing Facility

☐

D. Initiation of Health Care

☐

Service as defined in TCA §

68-11-1607(4)

(Specify) _____

☐

H. Change of Location

☐

E. Discontinuance of OB Services

☐

I. Other (Specify) _____

☐

F. Acquisition of Equipment

☐

9. Bed Complement Data

Please indicate current and proposed distribution and certification of facility beds.

	<u>Current Beds Licensed</u>	<u>*CON</u>	<u>Staffed Beds</u>	<u>Beds Proposed</u>	<u>TOTAL Beds at Completion</u>
A. Medical					
B. Surgical					
C. Long-Term Care Hospital					
D. Obstetrical					
E. ICU/CCU					
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric	0	0	0	16	16
J. Child/Adolescent Psychiatric					
K. Rehabilitation					
L. Nursing Facility (non-Medicaid Certified)					
M. Nursing Facility Level 1 (Medicaid only)					
N. Nursing Facility Level 2 (Medicare only)					
O. Nursing Facility Level 2 (dually certified Medicaid/Medicare)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child and Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL					

*CON-Beds approved but not yet in service

10. Medicare Provider Number N/A
Certification Type N/A

11. Medicaid Provider Number N/A
Certification Type N/A

12. If this is a new facility, will certification be sought for Medicare and/or Medicaid? Yes

13. *Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare participants? No* If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

Executive Summary

The applicant for this certificate of need is Woodridge of West Tennessee, LLC ("WWT"). WWT is a new, wholly owned subsidiary of Woodridge Behavioral Care, LLC ("Woodridge") headquartered near Nashville, Tennessee. Woodridge is a successful growth oriented behavioral health care provider bringing a broad range of integrated services to the communities it serves. It currently offers treatment of children and adolescents having difficulty with psychiatric, behavioral and emotional issues, chemical addictions, and sex offending behavior. Woodridge offers a confidential, caring environment that promotes crisis resolution, positive self awareness, social skills, and personal growth that is monitored in a safe environment 24 hours a day 7 days a week.

Formed by Neil Campbell and Mike White in July of 2011, Woodridge began with 4 residential treatment centers located in 3 states. Prior to forming Woodridge, Mr. Campbell and Mr. White were partners or senior officers in several psychiatric companies including AmiCare Behavioral Centers, Keystone Education and Youth Services and Vendell Healthcare. AmiCare offered services to adult and geriatric populations, out-patient programs, as well as adolescent residential care centers.

Presently, Woodridge operates four residential treatment facilities and two group homes with a total of 231 licensed beds operating at 90% capacity. Approximately 400 people are employed to provide care and services to the residents. This care is delivered to residents of 7 states (Tennessee, Arkansas, Missouri, Ohio, Illinois, Oklahoma and Iowa). Construction of a new facility in West Memphis, Arkansas offering inpatient child, adolescent and geriatric psychiatric services should begin in a matter of months.

Woodridge has continued to grow and prosper. The Company has in place systems with a track record of successful operation. There is potential for significant near term growth through program expansion at the existing facilities as well as development of new facilities.

Woodridge currently owns and operates Woodridge of Tennessee d/b/a Madison Oaks Academy in Jackson, Tennessee ("Madison Oaks"). Madison Oaks is a residential treatment center for adolescents with behavioral disorders. The first adolescent resident was admitted in September of 2007 and the center began with programming that provided comprehensive treatment services to females, ages 12 to 18 years. As the need grew, sections of the building were remodeled to accept male adolescent patients. Today, Madison Oaks has 73 licensed beds with adequate space for new development.

Madison Oaks' building is large enough to accommodate a full range of psychiatric services beyond the children and adolescent programs currently in place. The adolescent residential program occupies the second level of the building leaving 4 unoccupied nursing units on the ground level for future development. It is in one of these 4 units, which Woodridge via WWT proposes to add a geriatric psychiatric unit ("GPU") to address the needs of the senior population in the Jackson, Tennessee market area.

Jackson, Tennessee represents the only metropolitan statistical area between Nashville, Tennessee and Memphis, Tennessee with no geriatric psychiatric unit immediately available. The nearest other center besides Memphis and Nashville is in Martin, Tennessee approximately 50 miles north of Jackson. The population of Jackson and most of its contiguous counties is over 250,000. Over 79,000 of these residents are age 65 and over and would be Medicare eligible for services provided by a GPU.

Future plans for Madison Oaks may also include the addition of an acute adolescent psychiatric service, an acute adult psychiatric service and an acute detox and chemical dependency treatment unit. The typical support services and hotel services needed to operate a GPU are already available within the facility supporting the adolescent residential units. Local Jackson based physicians and acute care hospitals are also immediately available to Madison Oaks for the occasional unexpected medical needs of patients, which are not provided on a GPU.

Woodridge has retained Ameris Acquisitions, LLC (Nashville, Tennessee) to assist in the development and management of the unit. Ameris and its executives have developed and managed several GPUs in their own hospitals as well as non-Ameris facilities. Ameris has consulted, developed and/or managed GPUs in Kingsport, Tennessee (28 beds); Nashville, Georgia (12 beds); Louisville, Mississippi (14 beds); Montezuma, Georgia (10 beds); Prentiss, Mississippi (15 beds); Fayetteville, Arkansas (12 beds); Blytheville, Arkansas (20 beds) and Newton, Mississippi (12 beds).

Woodridge Behavioral Care, LLC Leadership (Owner)

H. Neil Campbell, President & Chief Executive Officer

Neil Campbell offers over 30 years worth of industry and managerial experience to WoodRidge. He most recently was co-founder and President of AmiCare Behavioral Centers. Previously he was the President of Lighthouse Care Centers and co-founded and served as President and CEO of Keystone Education and Youth Services. Mr. Campbell also served as president of Vendell Healthcare, a provider of psychiatric services to adults and youth. Mr. Campbell holds a Masters Degree in Finance from Louisiana State University.

Mike White, Executive Vice President & Chief Financial Officer

Mike White, with over 25 years of experience in financial healthcare operations, offers WoodRidge a successful history in the behavioral health field. He was co-founder and EVP/Chief Financial Officer for AmiCare Behavioral Centers. Previously he held the position of Senior Vice President/Financial Operations with Keystone Education and Youth Services. Mr. White also held several Controller positions within the psychiatric healthcare industry while working with Vendell Healthcare and Charter Medical Corporation. Mr. White graduated from Western Kentucky University with a Bachelor's Degree in Accounting.

Cecelia Hunt, LCSW, Vice President of Operations

Beginning as a direct care worker in the early 1990's, Cecelia Hunt has accumulated 19 years of experience in the behavioral health field. As a senior executive she has experience in operational and clinical oversight for psychiatric hospitals, residential facilities and outpatient centers. Prior to joining WoodRidge, Ms. Hunt served as VP of Clinical Services for AmiCare Behavioral Centers; Chief Operating Officer for Lighthouse Care Center of Augusta and RTC Program Administrator for Children's Comprehensive Services. Ms. Hunt is a licensed clinical social worker ("LCSW") in the states of Alabama, Georgia and Florida, as well as a licensed child care administrator in the state of Texas. She received a Bachelor of Science in Social Work and a Master of Social Work from the University of Alabama.

Stephen Chesney, Executive Director at Madison Oaks Academy

Mr. Chesney is in his fifth year at the center in Jackson, Tennessee and successfully manages operational and financial performance and develops strategic marketing initiatives. Mr. Chesney led the center in Jackson, Tennessee from an essentially start-up facility with an average daily census ("ADC") of 28.6 to its current ADC of 62.7, which is 86% of capacity. Prior to his tenure at Madison Oaks, Mr. Chesney worked with Mr. Campbell and Mr. White at Keystone Education and Youth Services in Charlotte, North Carolina. He holds a Master of Arts degree in Experimental Psychology from Indiana State University.

Section B: In Patient Geriatric Psychiatric Project Description

I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

ANSWER:

IP Geriatric Psychiatric Summary: Woodridge of West Tennessee, LLC is proposing a sixteen (16) bed geriatric psychiatric facility to be located at 49 Old Hickory Blvd in Jackson, Tennessee. Ameris Acquisitions, LLC has been chosen to manage the facility. Ameris has developed, owned, managed and operated several psychiatric facilities throughout the Southeast.

The lack of inpatient geriatric facilities in Jackson, Tennessee causes undue hardships and burdens on the citizens of Madison County. The **Need** is justified by an inadequate number of inpatient geriatric psychiatric beds in the service area. Providing inpatient geriatric psychiatric services **contributes to the orderly development of healthcare** by providing services in an area it does not currently exist.

Proposed Services and Equipment. Woodridge proposes to open a sixteen (16) bed inpatient geriatric psychiatric unit in Jackson, Tennessee which is located in Madison County. The geriatric psychiatric facility is the only component missing along the continuum of care for geriatric services in Madison County, TN. No external equipment needs have been identified.

Ownership Structure. Woodridge of West Tennessee, LLC was established in 2013. **See Attachment A & B.**

Ameris Acquisitions, LLC was established in April of 2012. Ameris, Since 1992; has operated geriatric psychiatric facilities under Ameris Health Systems, LLC and Ameris Management Services, LLC No other changes in ownership structure are planned for the entity.

Service Area. While the primary service area will be Madison County, the residents of the nine (9) surrounding counties will be considered secondary service area.

Need. Madison County Residents that require geriatric psychiatric services must now travel 60.2 miles to Linden, Tennessee or 55.26 miles to Martin, Tennessee.

Facility	Location from proposed facility	Beds	ADC	ALOS
BHC Martin	55.26 miles	16	11.7	14.88
Linden	60.02 miles	14	5.53	11.73

Source: Tennessee Joint Annual Reports

According to the Tennessee Health Guidelines for Growth, the population estimate of the total need for adult in-patient psychiatric services is 30 beds per 100,000 of population aged 18 and over. The service area for the proposed facility is 270,948 people, which indicates a **Need** of 81 beds. Currently there are only 25 mixed use beds in our primary service area.

County	Population 18+
Madison	70,920
Chester	12,296
Crockett	10,624
Dyer	27,809
Gibson	36,109
Hardin	19,709
Hardeman	19,062
Haywood	13,463
Henderson	20,340
McNairy	19,304
Total	248,636

Source: U.S. Census

The subset for the geriatric psychiatric in-patient need is 30 beds per 100,000 of population aged 65 and older. The service area encompasses 59,671 adults aged 65 and older. According to this population figure, there is a need for approximately 18 geriatric in-patient beds.

County	Population	65+	White	Black
Madison	98,656	13,767	59,402	36,475
Chester	17,171	2,703	15,145	1,597
Crockett	14,623	2,476	12,226	1,988
Dyer	38,255	5,897	31,662	5,637
Gibson	49,626	8,376	39,497	9,230
Hardin	25,950	5,151	24,418	898
Hardeman	26,533	4,027	14,956	11,055
Haywood	18,240	2,736	8,856	9,140
Henderson	28,023	4,391	25,192	2,177
McNairy	26,180	4,830	24,113	1,574
Total	343,257	54,353	255,467	79,771

Source: Tennessee Department of Health

According to the Tennessee Department of Health's Census projections, geriatric inpatient beds will need to be increased to 20 in the year 2018.

County	Projected Population 2018 65+
Madison	15,522
Chester	2,836
Crockett	2,622
Dyer	6,657
Gibson	9,194
Hardin	5,748
Hardeman	4,935
Haywood	3,125
Henderson	3,843
McNairy	5,371
Total	60,853

Source: Tennessee Department of Health

Existing Resources. The Woodridge facility will be located in a 48,000 square foot building in the heart of Jackson, TN. Woodridge is already operating a 74 bed CARF accredited RTF in this building. The new geriatric facility will be utilizing existing resources within the building. The Woodridge geriatric program will share pharmacy, therapist, floor techs, nurses, physicians and other existing resources with the RTF.

Project Cost Woodridge Geriatric will utilize a 7,000 square foot wing located within the Woodridge facility. The total cost to renovate the facility is estimated to be \$900,000 , Annual operating expenses are estimated to be approximately \$1,450,00.00.

Funding Capital and start-up expenses will be paid through cash reserves and operating income.

Financial Feasibility Woodridge's assumptions will be feasible in the first year with projected levels of 156 admissions, a 14 day ALOS or 2190 patient days which is a 6.0 ADC. Given the size of the population in Woodridge's service area, this should be an attainable first year budget and will grow over time as the unit builds a reputation for it's geriatric psychiatric services.

Staffing Woodridge will add the following positions to establish the geriatric psychiatric facility: Program Director, Community Education Director, Clinical Therapist , Registered Nurse, Licensed Practical Nurse, Activity Coordinator, Psychiatrist, Medical Director and Floor Techs. Based on the positive response from the local community, staffing the program can be easily accomplished.

II Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

A. Describe the construction, modification and/or renovation of the facility (exclusion of major medical equipment covered by T.C.A 68-11-1601 et seq) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$2 Million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A-E by identifying as applicable nursing units, ancillary areas, and support areas affected by the project. Provide the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

ANSWER: Construction cost for the proposed geriatric psychiatric inpatient facility are well under the \$2 million threshold, therefore the square footage exhibit is not applicable. There is no new construction planned. Instead, this project proposes to renovate approximately 7,000 square feet of existing hospital space at a cost of \$900,000.00.

B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

ANSWER: Woodridge is requesting 16 new beds. The increase in beds is due to lack of services in the proposed service area. The addition of sixteen geriatric psychiatric beds will not impact the existing services.

C. As the applicant, describe your need to provide the following health care services, (if applicable to this application):

ANSWER:

There are several factors supporting Woodridge's proposal to offer inpatient geriatric psychiatric services.

Accessibility: There are no inpatient geriatric psychiatric programs in Madison and the surrounding 10 counties. The nearest inpatient GPU is located in Linden, Tennessee, approximately 55 miles away. Madison County is central to all counties in the service area.

Community in need: The proposed service area of Madison and surrounding counties has a population of 371,000 people, with 59,671 aged 65 and over. Based on the state formula for 30 beds per 100,000 people aged 65 and over, there are approximately 18 geriatric psychiatric inpatient beds needed.

Need for additional inpatient geriatric psychiatric capacity: Based on the Tennessee Health Guidelines for Growth the service area can accommodate the additional 16 bed unit. This need is currently underserved by existing providers who are located 55- 100 miles away.

D. Describe the need to change location or replace an existing facility.

ANSWER: N/A

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute), which exceeds a cost of \$1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

1. For fixed-site major medical equipment (not replacing existing equipment):

ANSWER: N/A

2. For mobile major medical equipment

ANSWER: N/A

3. Indicate applicant's legal interest in equipment (i.e., purchase, lease, etc.) In case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

ANSWER: N/A

III (A) Attach a copy of the plot plan of the site on an 8 ½" x 11 sheet of white paper which must include

1. Size of site (in acres)
2. Location of structure on the site; and
3. Location of the proposed construction
4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for ALL projects.

Response: Please see Attachment E

(B) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

Response: Woodridge will be located in the central Jackson Metro area. The facility is located next to two major highways (45 and 412) and a major interstate (I-40). Bus transportation routes run throughout the Jackson area. Please see **Attachment E**

IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 ½" x 11" sheet of white paper.

NOTE: Do NOT submit blueprints. Simple line drawings should be submitted and need not be drawn to scale.

Response: Please see Attachment F

QUESTIONS

NEED

1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.
 - a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.
 - b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c).

RESPONSE: Included below are the Criteria and Standards required for Psychiatric Inpatient Services.

A. Need

1. The population-based estimate of the total need for psychiatric inpatient services is 30 beds per 100,000 general population (using population estimates prepared by the Department of Health and applying the data in Joint Annual Reports).

RESPONSE: Currently there are no geriatric psychiatric beds in the proposed service area. The combined population for Madison, Chester, Crockett, Dyer, Gibson, Hardin, Hardeman, Haywood, Henderson and McNairy Counties age 18 and older is 250,000. According to the recommended 30 beds per 100,000, this area could support a total of 75 beds. The addition of Woodridge's 16 beds will bring the total inpatient geriatric psychiatric beds to 16, less than one third of the calculated need. The two closest geriatric psychiatric facilities are 55 and 60 miles away from the proposed facility.

EXHIBIT 1 65 AND OLDER POPULATION PROJECTIONS

County	Projected Population 2018 65+
Madison	15,522
Chester	2,836
Crockett	2,622
Dyer	6,657
Gibson	9,194
Hardin	5,748
Hardeman	4,935
Haywood	3,125
Henderson	3,843
McNairy	5,371
Total	60,853

Source: 2010 TN Department of Health

EXHIBIT 2
TOTAL POPULATION PROJECTIONS

County	Projected Population 18+
Madison	70,920
Chester	12,296
Crockett	10,624
Dyer	27,809
Gibson	36,109
Hardin	19,709
Hardeman	19,062
Haywood	13,463
Henderson	20,340
McNairy	19,304
Total	249,735

Source: U.S. Census

2. Adult Programs – the age group of 18 years and older should be used in calculating the estimated total number of beds needed.

RESPONSE: Woodridge's program serves adults. The population used to calculate the need above excludes population of those less than 18 years of age.

3. For child inpatients under age 13, and if adolescent program, the age group of 13-17 should be used.

RESPONSE: N/A

4. These estimates for total need should be adjusted by the existing staffed beds open in the area as counted by the Department of Health in the Joint Annual Report.

RESPONSE: The total number of staffed beds in Woodridge's service area is 0; therefore, the total need is 75 beds, which is the existing need.

B. Service Area

1. The geographic service area should be reasonable and based on optimal balance between population density and service proximity of the community service agency.

RESPONSE: The geographic service area encompasses Madison County and the nine surrounding counties where the Woodridge facility will be located. The service area is reasonable and underserved for the geriatric population.

2. The relationship of the socio demographics of the service area to the projected population to receive services should be considered. The proposal's sensitivity and responsiveness to the special needs of the service area should be considered. These special needs include accessibility to consumers, particularly women, racial and ethnic minorities, low income groups and those involuntarily needing services.

RESPONSE: The inpatient geriatric psychiatric program serves patients aged 65 years and older. Madison and the surrounding 9 counties have higher than state average numbers of residents aged 65 years and older. Because the numbers of persons aged 65 years and older is projected to increase, there will be an equally increasing need for services provided by an inpatient geriatric psychiatric program. This proposal is sensitive to the needs of the elderly population and does not discriminate based on age, race, gender or income level.

C. Relationship to Existing Applicable Plans

1. The proposal's relationship to policy as formulated in state, city, county and regional plans plus other documents should be a significant consideration.

RESPONSE: The proposal does not relate to any state, city, county policies or regional planning documents.

2. The proposal's relationship to underserved geographic areas and population groups as identified in state, city, county and/or regional plans and other documents should be a significant consideration.

RESPONSE: This proposal does not relate to any state, city, county or regional plans that require consideration.

3. The impact of the proposal on similar services supported by state appropriations should be assessed and considered.

RESPONSE: There are no geriatric psychiatric facilities in our defined service area; therefore, there would be no adverse impact or duplication of services.

4. The proposal's relationship to whether or not the facility takes voluntary and/or involuntary admissions and whether the facility serves acute and/or long-term patients should be considered.

RESPONSE: The proposed program will serve both voluntary and involuntary admissions while providing both acute and long-term care.

5. The degree of projected financial participation in Medicare and TennCare programs should be considered.

RESPONSE: Woodridge expects to participate in Medicare and is presently a TennCare provider.

D. Relationship to Existing Similar Services in Area

1. The area's trend in occupancy and utilization of similar services should be considered.

RESPONSE: Currently there are no geriatric psychiatric units ("GPUs") or services in our proposed service area. The closest GPU is BHC Martin, which is approximately 55 miles from the Woodridge facility. BHC Martin is

a 16 bed GPU with an average daily census ("ADC") of 11.7 and an average length of stay ("ALOS") of 14.88, according to the Tennessee Joint Annual Reports.

2. Accessibility to specific special need groups should be an important factor.

RESPONSE: Woodridge is centrally located to the service area and is easily accessible by the population it will serve. Woodridge will provide transportation to the facility.

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

RESPONSE: The addition of a GPU fills a vital need of the residents of Madison and surrounding counties. Woodridge is also considering the development of an additional adult unit or adolescent unit in the near future.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. **Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).**

RESPONSE: Please see attachment G. Currently residents of Madison County and the surrounding counties must travel 90 miles to Memphis, 120 miles to Nashville, or 55 miles to Martin to receive geriatric psychiatric services. This places a burden not only on individual patients themselves, but also on families who attend family therapy sessions.

4. A. Describe the demographics of the population to be served by this proposal.

RESPONSE: Woodridge is committed to taking care of the elderly and low income populations throughout the service area. The population of aged 65 and over is expected to be 60,853 by 2018.

EXHIBIT 3 TOTAL POPULATION PROJECTIONS

County	Projected Population 2018 65+
Madison	15,522
Chester	2,836
Crockett	2,622
Dyer	6,657
Gibson	9,194
Hardin	5,748
Hardeman	4,935
Haywood	3,125
Henderson	3,843
McNairy	5,371
Total	60,853

Source: 2010 TN Department of Health

EXHIBIT 4

WHITE AND BLACK POPULATION PROJECTIONS

County	Population	65+	White	Black
Madison	98,656	13,767	59,402	36,475
Chester	17,171	2,703	15,145	1,597
Crockett	14,623	2,476	12,226	1,988
Dyer	38,255	5,897	31,662	5,637
Gibson	49,626	8,376	39,497	9,230
Hardin	25,950	5,151	24,418	898
Hardeman	26,533	4,027	14,956	11,055
Haywood	18,240	2,736	8,856	9,140
Henderson	28,023	4,391	25,192	2,177
McNairy	26,180	4,830	24,113	1,574
Total	343,257	54,353	255,467	79,771

Source: TN Department of Health

Madison and the surrounding counties are well above the poverty level for the state of Tennessee. However, the low income population like the elderly population has many of the same transportation issues when traveling outside the local community. In addition to travel expenses, seeking services outside the local area causes problems with a patient's payer status. Woodridge does not discriminate on the basis of race, ethnicity, gender, religion or physical ability.

Although Hardeman and McNairy counties have proportionally fewer females than the state average, it is unlikely this will affect admissions to the GPU program. Madison, Gibson and Hardeman counties have proportionally more racial and ethnic minorities than the state's average. Woodridge does not discriminate based on race, ethnicity, gender, religion or physical ability.

EXHIBIT 5

FEMALE POPULATION PROJECTIONS

County	% Female	% White	% Black
Madison	52.5	60.3	37.0
Chester	52.0	88.2	9.3
Crockett	52.2	38.9	13.6
Dyer	51.7	82.8	14.7
Gibson	52.4	79.6	18.6
Hardin	51.5	94.1	3.7
Hardeman	45.5	56.4	41.7
Haywood	52.9	48.6	50.1
Henderson	51.8	89.9	7.8
McNairy	51.0	92.1	6.0
Tennessee	51.2	79.3	17.0

Source: United States Census, Quickfacts 2010

- 4 B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

RESPONSE: With the exception of Jackson (Madison County) and Dyersburg (Dyer County), the service area is very rural. The population served is lower income and elderly. The program takes into consideration these special needs by providing a program closer in proximity to the patient. Woodridge does not discriminate based on race, sex or income level.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

RESPONSE: Currently there are no geriatric psychiatric units in our service area. To the best of our knowledge, there are no approved unimplemented CON's for this type of service.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology **must include** detailed calculations or documentation from referral sources, and identification of all assumptions.

Response: There is no historical data as this is a new project. Please see Projected Data Chart attached for projections which are based on past experience in much smaller markets.

HISTORICAL DATA CHART

New Facility, No Historical Data Available.

ESTIMATED

PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

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Year	2014	2015
A. Utilization Data (Patient Days)	2,190	2,373
B. Revenue from Services to Patients		
1. Inpatient Services	\$2,409,000	\$2,609,750
2. Outpatient Services	0	0
3. Emergency Services	0	0
4. Other Operating Revenue (Specify)	0	0
Gross Operating Revenue	\$2,409,000	\$2,609,750
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$821,250	\$889,688
2. Provision for Charity Care	0	0
3. Provisions for Bad Debt	0	0
Total Deductions	\$821,250	\$889,688
NET OPERATING REVENUE	\$1,587,750	\$1,720,063
D. Operating Expenses		
1. Salaries and Wages	\$737,512	\$774,387
2. Physician's Salaries and Wages	123,464	125,420
3. Supplies	162,060	175,565
4. Taxes	500	500
5. Depreciation	42,571	42,571
6. Rent	0	0
7. Interest, other than Capital	0	0
8. Other Expenses (Specify)		
Advertising	12,000	12,000
Benefits	154,877	162,621
Purchased Services	75,890	82,148
Recruitment	6,000	6,000
Travel	6,000	6,000
Repairs	13,140	14,235
Rental Expense	3,600	3,600
Insurance	6,475	6,931
Utilities	36,500	40,000
Bad Debt Expense	46,929	50,839
Other Expenses	15,330	16,608
Total Operating Expenses	\$1,442,848	\$1,519,425
E. Other Revenue (Expenses) -- Net (Specify)	0	0
NET OPERATING INCOME (LOSS)	\$144,902	\$200,638
F. Capital Expenditures		
1. Retirement of Principal		
2. Interest		
Total Capital Expenditures		
NET OPERATING INCOME (LOSS)		
LESS CAPITAL EXPENDITURES	\$144,902	\$200,638

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON Filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
- The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease; whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.
- The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
- For projects that include new construction, modification, and/or renovation; **documentation must be** provided from a contractor and/or architect that support the estimated construction costs.

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PROJECT COSTS CHART

A. Construction and equipment acquired by purchase:	
1. Architectural and Engineering Fees	50,000.00
2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	
3. Acquisition of Site	
4. Preparation of Site	
5. Construction Costs	800,000.00
6. Contingency Fund	80,000.00
7. Fixed Equipment (Not included in Construction Contract)	
8. Moveable Equipment (List all equipment over \$50,000)	
9. Other (Specify)	-
B. Acquisition by gift, donation, or lease:	
1. Facility (inclusive of building and land)	
2. Building only	
3. Land only	
4. Equipment (Specify)	
5. Other (Specify)	
C. Financing Costs and Fees:	
1. Interim Financing	
2. Underwriting Costs	
3. Reserve for One Year's Debt Service	
4. Other (Specify)	
D. Estimated Project Cost (A+B+C)	910,000.00
E. CON Filing Fee	3,000.00
F. Total Estimated Project Cost (D+E)	
TOTAL	933,000.00

2. Identify the funding sources for this project.
Please check the applicable item(s) below and briefly summarize how the project will be financed. (**Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.**)

Response:

☐

E. Cash Reserves – Appropriate documentation from Chief Financial Officer.
See Attachment C “Cash Reserves”

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

Response:

4. Complete Historical and Projected Data Charts on the following two pages—Do Not modify revenue and expense information for the last three (3) years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the **Proposal Only** (i.e. if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

Response: Average Gross Charge \$1,300
Average Deduction \$ 575
Average Net Charge \$ '725

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

RESPONSE: The proposed charge schedule for the Unit will be a per diem all inclusive charge that is highest on day one (to account for the admission process labor/acuity costs) and then slightly less the rest of the first week and tapers down in the second week or remaining time in the facility.

Woodridge will structure its charges to the following levels, subject to changes required by any regulation or practical reasons for doing otherwise:

EXHIBIT - PER DIEM CHARGE SCHEDULE

Day of Stay	Per Diem Rate
Day 1 – Admission Date	\$1300.00
Day 2 - 7	\$1100.00
Day 8 - 14	\$930.00
After Day 14	\$825.00

The GPU charge structure's impact on current charges is not applicable, since this is a new legal entity and service in this facility which will operate the GPU.

Based upon the projected first full fiscal year of patient volume (2190 patient days = 156 admissions @ ALOS of 14.0 days), the Woodridge GPU should produce total gross revenue of \$2,409,000.00 which produces an average blended gross charge rate per day of \$1,100.00.

Woodridge is using a conservative projection of average blended per diem reimbursement of \$725.00 which will produce a Medicare contractual write off of \$821,150 or 34.1% of charges in Year One.

6. B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE: There is no current history of charges to draw any comparison for the above charge master proposal. However, from the charges listed in the St. Thomas Hospital CON application, Project Number CN1101-003, Exhibit 11.b. dated January 2011, it is shown that Woodridge's projected charges are well below the comparative charges among St. Thomas' area providers which ranged from \$2,018.00 per day to \$1,710.00 per day.

Charges per day at the nearest GPU in Martin, TN show an average daily charge of \$1,150.00.

PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal.
The fiscal year begins in January.

SEP 19 '19 PM 1:59

Year	2014	2015
A. Utilization Data (Patient Days)	2,190	2,373
B. Revenue from Services to Patients		
1. Inpatient Services	\$2,409,000	\$2,609,750
2. Outpatient Services	0	0
3. Emergency Services	0	0
4. Other Operating Revenue (Specify)	0	0
Gross Operating Revenue	\$2,409,000	\$2,609,750
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$821,250	\$889,688
2. Provision for Charity Care	0	0
3. Provisions for Bad Debt	0	0
Total Deductions	\$821,250	\$889,688
NET OPERATING REVENUE	\$1,587,750	\$1,720,063
D. Operating Expenses		
1. Salaries and Wages	\$737,512	\$774,387
2. Physician's Salaries and Wages	123,464	125,420
3. Supplies	162,060	175,565
4. Taxes	500	500
5. Depreciation	42,571	42,571
6. Rent	0	0
7. Interest, other than Capital	0	0
8. Other Expenses (Specify)		
Advertising	12,000	12,000
Benefits	154,877	162,621
Purchased Services	75,890	82,148
Recruitment	6,000	6,000
Travel	6,000	6,000
Repairs	13,140	14,235
Rental Expense	3,600	3,600
Insurance	6,475	6,931
Utilities	36,500	40,000
Bad Debt Expense	46,929	50,839
Other Expenses	15,330	16,608
Total Operating Expenses	\$1,442,848	\$1,519,425
E. Other Revenue (Expenses) -- Net (Specify)	0	0
NET OPERATING INCOME (LOSS)	\$144,902	\$200,638
F. Capital Expenditures		
1. Retirement of Principal		
2. Interest		
Total Capital Expenditures		
NET OPERATING INCOME (LOSS)		
LESS CAPITAL EXPENDITURES	\$144,902	\$200,638

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

Response: Average Gross Charge \$1,300
Average Deduction \$ 575
Average Net Charge \$ 725

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

RESPONSE: The proposed charge schedule for the Unit will be a per diem all inclusive charge that is highest on day one (to account for the admission process labor/acuity costs) and then slightly less the rest of the first week and tapers down in the second week or remaining time in the facility.

Woodridge will structure its charges to the following levels, subject to changes required by any regulation or practical reasons for doing otherwise:

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Based upon the projected first full fiscal year of patient volume (2190 patient days = 156 admissions @ ALOS of 14.0 days), the Woodridge GPU should produce total gross revenue of \$2,409,000.00 which produces an average blended gross charge rate per day of \$1,100.00.

Woodridge is using a conservative projection of average blended per diem reimbursement of \$725.00 which will produce a Medicare contractual write off of \$821,150 or 34.1% of charges in Year One.

6. B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE: There is no current history of charges to draw any comparison for the above charge master proposal. However, from the charges listed in the St. Thomas Hospital CON application, Project Number CN1101-003, Exhibit 11.b. dated January 2011, it is shown that Woodridge's projected charges are well below the comparative charges among St. Thomas' area providers which ranged from \$2,018.00 per day to \$1,710.00 per day.

Charges per day at the nearest GPU in Martin, TN show an average daily charge of \$1,150.00.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

RESPONSE: Woodridge's charges will be feasible if the actual admissions and patient days in the first year hit projected levels of 156 admissions at a 14 day ALOS or 2190 patient days which is a 6.0 ADC. Given the size of the population in Woodridge's service area, this should be an attainable first year budget and will grow over time as the unit builds a reputation for its geriatric psychiatric services.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

RESPONSE: Woodridge's viability is anchored in the overall financial stability of the company as a whole with no one facility capable of affecting the full financial performance of the company. The Jackson based GPU should only add to the success of the Company and the facility is projected to be at a positive cash flow level in the first year and beyond including the cost of capital for renovations and FF&E. Included in Attachment C "Cash Reserves" is a recent bank statement balance showing sufficient cash to build out and start up the unit. The company also maintains a line of credit with Pinnacle Bank which uses its accounts receivable as collateral. There is no outstanding balance on this account at this time.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

RESPONSE: The GPU will be accepting only elderly patients whose primary insurance provider is Medicare or a Medicare Advantage like product. Therefore, the complexity of its reimbursement cycle is limited to only one insurance provider. All other patients not covered by Medicare or eligible for coverage will not be an issue to this type of unit designed specifically for the over 65 population who predominantly have Medicare coverage or can be enrolled at the point of service.

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

RESPONSE: Audited Financial Statements for Woodridge Behavioral Care, LLC, parent company of Woodridge of West Tennessee, LLC, are provided in Attachment J labeled Economic Feasibility-10.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- a. A discussion regarding the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

RESPONSE: Alternatives to provide GPU services in Jackson, Tennessee are most efficiently done using the proposed model of renovating a current unoccupied wing of the

Madison Oaks facility. Other sites were evaluated, but all were lacking in key requirements that would have overcome the advantages of the proposed location. One building for sale nearby in Jackson has been recently renovated and would sell at a cost less than the proposed renovations; however, it was a stand alone building housing no other healthcare services, needed to be sprinkled and had no available space for any of the support and hotel services that can be efficiently provided by Madison Oaks to this unit.

Providing no service is not an acceptable alternative, since families routinely drive 50 to 100 miles one way to receive GPU services in Martin, Nashville or Memphis. Referring to outside agencies is just as undesirable for the same reasons.

Another alternative was to provide only outpatient services through an Intensive Outpatient Psychiatric day program. This program did not produce sufficient revenue for the costs that would be incurred. It will be a program for addition after the inpatient program is stable and able to help fund some of the costs of an IOP.

- b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

Response: New construction of a unit is not as financially feasible as using the existing building and a renovated wing to accommodate this service. New facility costs would have been in the range of \$250 per square foot, while this renovation can be done for under \$125 per square foot.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.) managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g. transfer agreements, contractual agreements for health services.

Response: Woodridge, upon receipt of CON, will develop relationships with West Tennessee Healthcare and Regional Hospital. Ancillary services will be provided by contractual arrangements and transfer agreements.

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

Response: Implementing a sixteen (16) bed inpatient Geriatric Psychiatric Program is a positive move for the local healthcare system. The proposed unit will not negatively impact the current system due to its inadequate Geriatric Psychiatric resources in the area.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTE's for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workplace Development and/or other documented sources.

	Day	Evening	Night	TN DOL	Woodridge
Executive Director	1	0	0		\$30.00
RN	1	1	1	\$29.16	\$30.00
Tech	2	2	1	\$10.72	\$11.00
LCSW	.5	0	0	\$18.34	\$27.00

Response:

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

Response: Woodridge Madison Oaks where the GPU will be located has not had any issues with recruitment of professional staff. The proposed service area has four universities and two community colleges. Professional and non-professional personnel have shown interest in the new program, therefore we do not see recruiting or retention of staff being a problem.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

Response: Woodridge is aware and understands the licensing and certification as required by the State of Tennessee for medical and clinical staff.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g. internships, residencies, etc.)

Response: Upon granting of the CON, Woodridge will work closely with the universities and community colleges to provide any needed volunteer opportunities which will fit both the needs of the GPU and students.

- 7.(a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

Response: Woodridge has reviewed the Department of Mental Health and Medicare program requirements and fully understands all requirements and laws.

- 7.(b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Response:

Licensure: Woodridge will seek licensure from the Department of Mental Health
Accreditation: Woodridge will seek accreditation from JCAHO

- 7.(c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

Response: N/A

- 7.(d) For existing licensed providers,, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

Response: N/A

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

Response: N/A

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project.

- Response:** N/A
10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

Response: Woodridge will provide the Tennessee Health Services and Development Agency or any reviewing agency information and data as required.

ATTACHMENTS

- A. Woodridge Corporation Documents**
- B. Woodridge Ownership**
- C. Economic Feasibility -2 • Cash Reserves**
- D. Land Deed**
- E. Land Plot**
- F. Facility Diagram**
- G. Service Area Map**
- H. CFO Letter**
- I. Woodridge Hospital Financials**
- J. Audited Financials**
- K. Proof of Publication**
- L. Letter of Support**

Attachment A

Woodridge Of West Tennessee LLC Documents

Section B – Ownership Structure



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Woodridge of West Tennessee, LLC
162 CUDE LN
MADISON, TN 37115-2202

August 13, 2013

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control # :	727784	Formation Locale:	DELAWARE
Filing Type:	Limited Liability Company - Foreign	Date Formed:	08/06/2013
Filing Date:	08/13/2013 3:38 PM	Fiscal Year Close:	12
Status:	Active	Annual Report Due:	04/01/2014
Duration Term:	Perpetual	Image # :	7231-0577
Managed By:	Member Managed		
Business County:	DAVIDSON COUNTY		

Document Receipt

Receipt # :	1126315	Filing Fee:	\$300.00
Payment-Check/MO -	HARWELL HOWARD HYNE GABBERT & MANNER, P.C., NASHVILLE, T		\$300.00

Registered Agent Address:	Principal Address:
H NEIL CAMPBELL	162 CUDE LN
162 CUDE LN	MADISON, TN 37115-2202
MADISON, TN 37115-2202	

Congratulations on the successful filing of your **Application for Certificate of Authority** for **Woodridge of West Tennessee, LLC** in the State of Tennessee which is effective on the date shown above. Visit the TN Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.


Tre Hargett
Secretary of State

Processed By: Carol Dickerson

APPLICATION FOR CERTIFICATE OF AUTHORITY
LIMITED LIABILITY COMPANY (SS-4233)

Page 1 of 2



Division of Business Services
Tre Hargett, Secretary of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: \$50 per member
(minimum fee = \$300, maximum fee = \$3,000)

For Office Use Only

Control # 000727784
SUBMISSION PENDING

Amount Due: \$300.00
Please file before 09/05/2013

To the Secretary of the State of Tennessee:

Pursuant to the provisions of T.C.A. §48-249-904 of the Tennessee Revised Limited Liability Company Act, the undersigned hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the Limited Liability Company is: Woodridge of West Tennessee, LLC
If different, the name under which the certificate of authority is to be obtained is:

NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign Limited Liability Company if its name does not comply with the requirements of T.C.A. §48-249-106 of the Tennessee Revised Limited Liability Company Act. If obtaining a certificate of authority under an assumed Limited Liability Company name, an application must be filed pursuant to T.C.A. §48-249-106(d).

2. The state or country under whose law it is formed is: DELAWARE
and the date (mm/dd/yyyy) of its formation is: 08/06/2013
and, if prior to qualifying, the date it commenced doing business in Tennessee is: (none)

NOTE: Additional filing fees and proof of tax clearance confirming good standing may apply if the Limited Liability Company commenced doing business in Tennessee prior to the approval of this application. See T.C.A. §48-249-913(d) and T.C.A. §48-249-905(c).

3. This company has the additional designation of:

4. The name and complete address of its registered agent and office located in the state of Tennessee is:
H NEIL CAMPBELL
162 CUDE LN
MADISON, TN 37115-2202
DAVIDSON COUNTY

5. Fiscal Year Close Month: December

6. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is:
(none) (Not to exceed 90 days)

7. The LLC will be: ☒ Member Managed ☐ Manager Managed ☐ Director Managed ☐ Board Managed ☐ Other

8. Number of Members at the date of filing: 1

9. Period of Duration: Perpetual

10. The complete address of its principal executive office is:
162 CUDE LN
MADISON, TN 37115-2202

**APPLICATION FOR CERTIFICATE OF AUTHORITY
LIMITED LIABILITY COMPANY** (ss-4233)

Page 2 of 2



Division of Business Services
Tre Hargett, Secretary of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: \$50 per member
(minimum fee = \$300, maximum fee = \$3,000)

For Office Use Only

Control # 000727784
SUBMISSION PENDING

Amount Due: \$300.00
Please file before 09/05/2013

The name of the Limited Liability Company is: Woodridge of West Tennessee, LLC

11. The complete mailing address of the entity (if different from the principal office) is:

162 CUDE LN
MADISON, TN 37115-2202

12. Non-Profit LLC (required only if the Additional Designation of "Non-Profit LLC" is entered in section 3.)

- ☐ I certify that this entity is a Non-Profit LLC whose sole member is a nonprofit corporation, foreign or domestic, incorporated under or subject to the provisions of the Tennessee Nonprofit Corporation Act and who is exempt from franchise and excise tax as not-for-profit as defined in T.C.A. §67-4-2004. The business is disregarded as an entity for federal income tax purposes.

13. Professional LLC (required only if the Additional Designation of "Professional LLC" is entered in section 3.)

- ☐ I certify that this PLLC has one or more qualified persons as members and no disqualified persons as members or holders.
☐ I certify that this entity meets the requirements of T.C.A. §48-249-1123(b)(3)

Licensed Profession:

14. Series LLC (required only if the Additional Designation of "Series LLC" is entered in section 3.)

- ☐ I certify that this entity meets the requirements of T.C.A. §48-249-309(i)

If the provisions of T.C.A. §48-249-309(l) (relating to foreign series LLCs) apply, then the information required by that section should be attached as part of this document.

15. Obligated Member Entity (list of obligated members and signatures must be attached)

- ☐ This entity will be registered as an Obligated Member Entity (OME) **Effective Date:** (none)
☐ I understand that by statute: THE EXECUTION AND FILING OF THIS DOCUMENT WILL CAUSE THE MEMBER(S) TO BE PERSONALLY LIABLE FOR THE DEBTS, OBLIGATIONS AND LIABILITIES OF THE LIMITED LIABILITY COMPANY TO THE SAME EXTENT AS A GENERAL PARTNER OF A GENERAL PARTNERSHIP. CONSULT AN ATTORNEY.

16. Other Provisions:

Aug 6, 2013 1:25PM

Signature Date

Signature

President

H. Neil Campbell

Signer's Capacity (if other than individual capacity)

Name (printed or typed)

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "WOODRIDGE OF WEST TENNESSEE, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE EIGHTH DAY OF AUGUST, A.D. 2013.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "WOODRIDGE OF WEST TENNESSEE, LLC" WAS FORMED ON THE SIXTH DAY OF AUGUST, A.D. 2013.

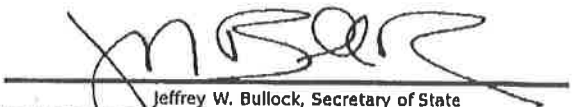
AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE NOT BEEN ASSESSED TO DATE.

5379207 8300

130960378



You may verify this certificate online
at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 0652179

DATE: 08-08-13

7231.0579, 08/13/2013, 15:38:57, Received by Tennessee Secretary of State Tre Hargett

Attachment B

Woodridge Of West Tennessee LLC Ownership

Section B – Ownership Structure

LIMITED LIABILITY COMPANY AGREEMENT

WOODRIDGE OF WEST TENNESSEE, LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT (the "Operating Agreement") of WOODRIDGE OF WEST TENNESSEE, LLC (the "Company") is effective as of August 8, 2013.

1. Formation of Limited Liability Company. Woodridge Behavioral Care, LLC, a Delaware limited liability company (the "Member"), hereby forms the Company as a limited liability company pursuant to the provisions in the Delaware Limited Liability Company Act, 6 Del. C §18-101, *et seq.*, as it may be amended from time to time, and any successor to such statute (the "Act"). On August 23, 2012, a Certificate of Formation (the "Certificate") was filed with the Secretary of State of the State of Delaware to form the Company pursuant to the Act. The rights and obligations of the Member and the administration and termination of the Company shall be governed by this Agreement and the Act. The Agreement shall be considered the "limited liability company agreement" of the Company within the meaning of Section 18-101(7) of the Act. To the extent this Agreement is inconsistent in any respect with the Act, this Agreement shall control.

2. Sole Member. Member is the sole and managing member of the Company.

3. Business Purpose. The business purpose of the Company is to engage in any lawful act or activity for which a limited liability company may be engaged under applicable law (including, without limitation, the Act) to accomplish the specific business purpose of the Company specified herein. The specific business purpose of the Company is to develop, acquire, own, operate, manage or otherwise deal in and with behavioral treatment centers and programs for youth, adolescents and adults, including engaging in any and all activities relating thereto or arising therefrom or reasonably necessary, advisable or incidental thereto.

4. Name. The name of the Company shall be "Woodridge of West Tennessee, LLC."

5. Registered Agent and Principal Office. The registered office and registered agent of the Company in the State of Delaware shall be as the Member may designate from time to time. The Company may have such other offices as the Member may designate from time to time. The mailing address of the Company shall be 162 Cude Lane, Madison, Tennessee 37115-2202.

6. Term of Company. The Company shall commence on the date the Certificate is first properly filed with the Secretary of State of the State of Delaware and shall continue in existence in perpetuity unless its business and affairs are earlier wound up following dissolution at such time as this Agreement may specify.

7. Management of Company. All decisions relating to the business, affairs, and properties of the Company shall be made by the Member. The Member may appoint a President and one or more Vice Presidents and such other officers of the Company as the Member may

deem necessary or advisable to manage the day-to-day business affairs of the Company (the "Officers"). The Member may also appoint managers who are not officers. The Officers, and each of them, and managers, and each of them, shall have the authority to act on behalf of, bind, and execute and deliver documents in the name and on behalf of the Company. No such delegation shall cause the Member to cease to be a Member. The Member may remove any Officer or manager and may increase or decrease the number of Officers and managers at any time for any reason.

8. Distributions and Allocations. Each distribution of cash or other property by the Company shall be made 100% to the Member. Each item of income, gain, loss, deduction, or credit of the Company shall be treated as income, gain, loss, deduction or credit (as applicable) of the Member.

9. Capital Accounts. At all times during a No Tax Entity Period (as defined in Section 14 below), the Company shall not be required to establish or maintain capital accounts. At all other times, a capital account shall be maintained for the Member in accordance with Treasury Regulations Sections 1.704-1(b)(2)(iv) and 1.704-2.

10. Exculpation. Neither (i) the Member, (ii) any affiliate of the Member, nor (iii) any officer, director, employee, or agent of the Company, the Member or any of its affiliates, shall be liable, responsible, or accountable in damages or otherwise to the Company or the Member by reason of, or arising from, the operations, business, or affairs of, or any action taken or failure to act on behalf of, the Company except for its or his gross negligence or willful misconduct.

11. Indemnity. The Company shall indemnify and hold harmless (i) the Member, (ii) any affiliate of the Member, and (iii) any officer, director, employee, or agent of the Company, the Member or any of its affiliates (each, an "Indemnitee"), from and against any claim, loss, damage, liability, or reasonable expense (including reasonable attorneys' fees, court costs, and costs of investigation and appeal) suffered or incurred by any such Indemnitee by reason of, or arising from, the operations, business, or affairs of, or any action taken or failure to act on behalf of, the Company.

12. Dissolution and Winding Up. The Company shall dissolve and its business and affairs shall be wound up pursuant to a written instrument executed by the Member.

13. No Partnership. It is intended that the Company not be treated as or construed to be a partnership (including a limited partnership) or joint venture for purposes of the laws of any state, and this Agreement may not be construed to suggest otherwise.

14. Tax Treatment. For federal income tax purposes, at all times that the Member owns 100% of the equity interests in the Company (a "No Tax Entity Period"), the Company and the Member desire and intend that the Company be disregarded as an entity separate from the Member pursuant to Treasury Regulations Section 301.7701 and corresponding provisions of state law. Accordingly, no election will be made to treat the Company as a corporation for income tax purposes.

15. Authorized Person. Notwithstanding anything to the contrary contained in this Agreement, the Member hereby approves and ratifies the execution and filing of all certificates executed and filed with the Secretary of State of the State of Delaware through the date hereof by Glen A. Civitts, as an authorized person within the meaning of the Act, on behalf of the Company, including the original Certificate of the Company filed on August 23, 2012. Hereafter, Mr. Civitts' powers as an authorized person within the meaning of the Act shall cease, and the Member or Officer shall execute, deliver and file, or cause the execution, delivery or filing of, all certificates (and any amendments and/or restatements thereof) required or permitted by the Act to be filed with the Secretary of State of the State of Delaware and any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

16. Amendments. This Agreement may be amended or modified from time to time only by a written instrument executed by the Member.

17. Governing Law. The validity and enforceability of this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to otherwise governing principles of conflicts of law.

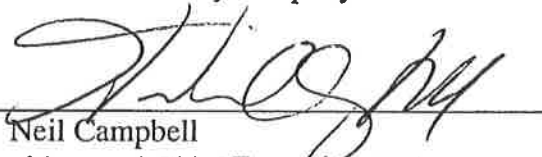
[Signature Page Follows]

IN WITNESS WHEREOF, the sole Member has duly executed this Agreement as of the date first above written.

MEMBER:

WOODRIDGE BEHAVIORAL CARE, LLC,
a Delaware limited liability company

By:


H. Neil Campbell
President and Chief Executive Officer

Attachment C

Cash Reserves

Section Economic Feasibility 2



Primary Account Number: 5620230
Statement Period: 06-29-2013 to 07-31-2013

150 3rd Avenue South • Suite 900 • Nashville, TN 37201

Page 1

Bank Statement as of 07-31-2013

*****AUTO**3-DIGIT 371

8173 0.4726 AT 0.384 28 1 23



Woodridge Behavioral Care LLC
162 Cude Lane
Madison TN 37115-2202

Deposits and Investments

Account #	Description	Balance
-----------	-------------	---------

5620230	Zenith MM Business Account	\$1,200,106.36
---------	----------------------------	----------------

Electronic Statements: Increased Convenience and Security
E-Statements give you the convenience of accessing your statements at any time with the added security of password protection. You won't have to worry about the security of your mail or delivery mistakes. Signing up is easy when you login to online banking at www.pnfp.com and go to "User Services."

Zenith Mm Business No. 5620230

Total Number of Checks: 0

Beginning Balance on 06-28-2013	\$1,200,133.48
Deposits/Credits	\$106.36
Checks/Withdrawals	\$133.48
Ending Balance on 07-31-2013	\$1,200,106.36

Average Balance This Statement	\$1,200,093.03	Annual Percentage Yield Earned	0.10%
Interest Earned This Period	\$106.36	Days in Period	33
Interest Paid Year-to-Date	\$945.90	Interest Paid	\$106.36



H Neil Campbell <ncampbell@woodridgecare.com>
To: John Lewis <sjlewis3@yahoo.com>
Fwd: CON Letter

September 11, 2013 2:13 PM

1 Attachment, 17 KB

Here you go!

Neil

Begin forwarded message:

From: Jan McGaughy <jmcgaughy@woodridgecare.com>
Subject: CON Letter
Date: September 11, 2013 1:48:51 PM CDT
To: Neil Campbell <ncampbell@woodridgecare.com>



September 11, 2013

Health Services and Development Agency
Frost Building, 3rd floor
161 Rosa L Parks Blvd.
Nashville, TN 37243

To Whom It May Concern:

Please accept this letter as verification that Woodridge has the necessary financial resources to cover the implementation of the CON project.

Thank you for your time in considering our CON application.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Neil Campbell", is written over a horizontal line.

H. Neil Campbell

Attachment

Attachment D

Land Deed

THIS INSTRUMENT PREPARED BY
RAINEY, KIZER, REVIERE & BELL, P.L.C.
Attorneys at Law (LAW-08329/62615)
105 S. Highland Avenue
Jackson, Tennessee 38301

PROPERTY OWNER
& ADDRESS:

Amicare of Tennessee, LLC
49 Old Hickory Blvd.
Jackson, TN

PERSON OR ENTITY RESPONSIBLE
FOR THE PAYMENT OF REAL
PROPERTY TAXES & ADDRESS:

Amicare of Tennessee, LLC
162 Lude Lane
Madison, TN 37115

Without Survey or Title Examination
Without Serving as Closing Attorney

I, OR WE, HEREBY SWEAR OR AFFIRM THAT THE ACTUAL CONSIDERATION FOR THIS
TRANSFER OR VALUE OF THE PROPERTY TRANSFERRED, (WHICHEVER IS GREATER) IS
\$ 0



AFFIANT

SUBSCRIBED AND SWORN TO BEFORE ME THIS THE 19th DAY OF March, 2007.

NOTARY PUBLIC

Map 56P Group B Parcel 21.02 (001)

QUITCLAIM DEED

KNOW ALL MEN BY THESE PRESENTS: That FAMILY WORSHIP CENTER
MINISTRIES OF JACKSON, TENNESSEE, a Tennessee non-profit corporation, for good and
valuable consideration, receipt of all of which is hereby acknowledged, does hereby quitclaim
and convey unto AMICARE OF TENNESSEE, LLC all of its right, title and interest in and to
that certain lot or parcel of real estate located in the Sixth Ward of the City of Jackson,
Madison County, Tennessee, and more particularly bounded and described as follows:

BEGINNING at an iron pin at the northeast corner of the Social Security Building
property, said pin being South 82 degrees 12 minutes East 525.60 feet from the
east margin of Highland Avenue, said point in the east margin of Highland
Avenue, being the northwest corner of John Thomas McKnight property; runs
thence south 82 degrees 12 minutes East 85.39 feet to an iron pin, thence south
52 degrees 22 minutes East 297.86 feet to an iron pin, thence South 22 degrees
22 minutes East 150.00 feet to an iron pin, thence South 82 degrees 22 minutes
East 450.00 feet to an iron pin, thence South 10 degrees 20 minutes West
306.00 feet to an iron pin, thence north 82 degrees 08 minutes West 849.12 feet
to a point in Old Hickory Boulevard east, runs thence North 27 degrees 44
minutes 45 seconds West with the east margin of said boulevard 214.40 feet to a
point, thence runs in a Northerly direction following a curve having a radius of
335.00 feet, a distance of 51.27 feet, thence runs in a Northeasterly direction
following a curve having a radius of 15.00 feet, a distance of 35.81 feet to a point,
thence runs South 79 degrees 44 minutes 45 seconds East 95.30 feet to a point,
thence runs North 10 degrees 56 minutes East 60.00 feet to a point, thence runs
South 79 degrees 44 minutes 45 seconds East 28.91 feet to a point; thence
North 10 degrees 15 minutes 00 seconds East 287.92 feet to the point of
beginning. Said description being taken from a survey of TLM Associates, Inc.,
Consulting Engineers, Tennessee No. 662, dated May 1, 1975, Robert W.
Martin, Tennessee Registration No. 488. (Description from prior deed of
conveyance.)

Madison County Assessor

1

Map 56P GF B Par 21.02 CP PR
Value QC Date 2/9/07

Being the same property conveyed to Jackson Family Worship Center, a Tennessee non-profit corporation, by deed dated December 1, 2003, appearing of record in Book D657, page 654, in the Register's Office of Madison County, Tennessee. By Articles of Amendment recorded in Charter Book 40, page 382, in said Register's Office, the name was changed to Family Worship Center Ministries of Jackson, a Tennessee non-profit corporation.

TO HAVE AND TO HOLD the above-described real estate, together with all easements and appurtenances thereunto belonging, unto the said AMICARE OF TENNESSEE, LLC, its successors and assigns forever.

The Grantor covenants that it is lawfully seized and possessed of the above property; that it has full right to sell and convey the same as aforesaid; that said property is free of all liens and encumbrances with the exception of (1) city and county real property taxes for the year 2007, which are to be prorated between Grantor and Grantee and assumed by the Grantee, (2) restrictive covenants of record in Deed Book 523, Page 711, in the Register's Office of Madison County, Tennessee, and (3) Electrical Distribution Line Easements of record in Deed Book 324, Page 357, and Deed Book 132, Page 108, both in the Register's Office of Madison County, Tennessee; to which this conveyance is made subject. With such exception Grantor will forever warrant and defend the title to said property unto the Grantee, its successors and assigns, against the lawful claims of all persons whomsoever,

IN WITNESS WHEREOF, the Grantor has caused its name to be hereunto subscribed

by its authorized officer on this the 9th day of February, 2007.
BK/PG:D686/1134-1135

07004641

2 PGS 1 AL - DEED	
BRANLA BATCH: 66495	
03/19/2007 - 02:02 PM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	10.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	12.00

STATE OF TENNESSEE
COUNTY OF MADISON

FAMILY WORSHIP CENTER MINISTRIES
OF JACKSON, TENNESSEE

By: Val Treece
Title: CEO Family Worship Center Ministries

Before me personally appeared Val Treece, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be CEO of FAMILY WORSHIP CENTER MINISTRIES OF JACKSON, TENNESSEE, the within named grantor, and that he/she executed the foregoing instrument for the purposes therein contained, by personally signing the name of the corporation as such officer.

Witness my hand this 9th day of February, 2007

NOTARY PUBLIC

My commission expires: 6-23-09

2



This Instrument Prepared by
RAINEY, KIZER, REVIERE & BELL (LAW-62815)
105 South Highland
Jackson, TN 38301

RELEASE OF TRUST DEED

WHEREAS, Jackson Family Worship Center, by its Deed of Trust dated December 1, 2003 and recorded on September 10, 2004 in the Register's Office of Madison County, Tennessee, in Book 1612, Page 529 ("Trust Deed"), conveyed to Laura A. Williams, as Trustee, the property described in the Trust Deed, to which reference is here made, to secure the payment of a certain indebtedness which is fully described in the Trust Deed; and

WHEREAS, the indebtedness has been paid in full, and there is now nothing due or owing on the indebtedness and the Trust Deed securing the same.

NOW, THEREFORE, in consideration of the premises, ADOLESCENT RESIDENTIAL TREATMENT CENTERS, INC. hereby declares that it is the legal owner and holder of the note secured by the Trust Deed, and acknowledges full satisfaction thereof and discharge of the lien of said Trust Deed made to secure the same.

IN WITNESS WHEREOF, ADOLESCENT RESIDENTIAL TREATMENT CENTERS, INC. has caused its corporate name to be hereunto signed by its duly authorized officer,

this the 9th day of
BK/PG: T1792/1515-1515

February, 2007.

07004640

ADOLESCENT RESIDENTIAL TREATMENT
CENTERS, INC.

1 FOR : RA - RELEASE	
BRANLA MATCH: 8F855	
03/13/2007 - 03:02 PM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	10.00
DE FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	12.00

By: R.B. Wolfe
Title: CEO

STATE OF TENNESSEE, MADISON COUNTY
COUNTY OF Madison

Before me personally appeared R.B. Wolfe, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be the CEO of ADOLESCENT RESIDENTIAL TREATMENT CENTERS, INC., a corporation, and that such officer executed the foregoing instrument for the purpose therein contained, by personally signing the name of the corporation as such officer.

Witness my hand and seal, this 9th day of February, 2007.

[Signature]
NOTARY PUBLIC

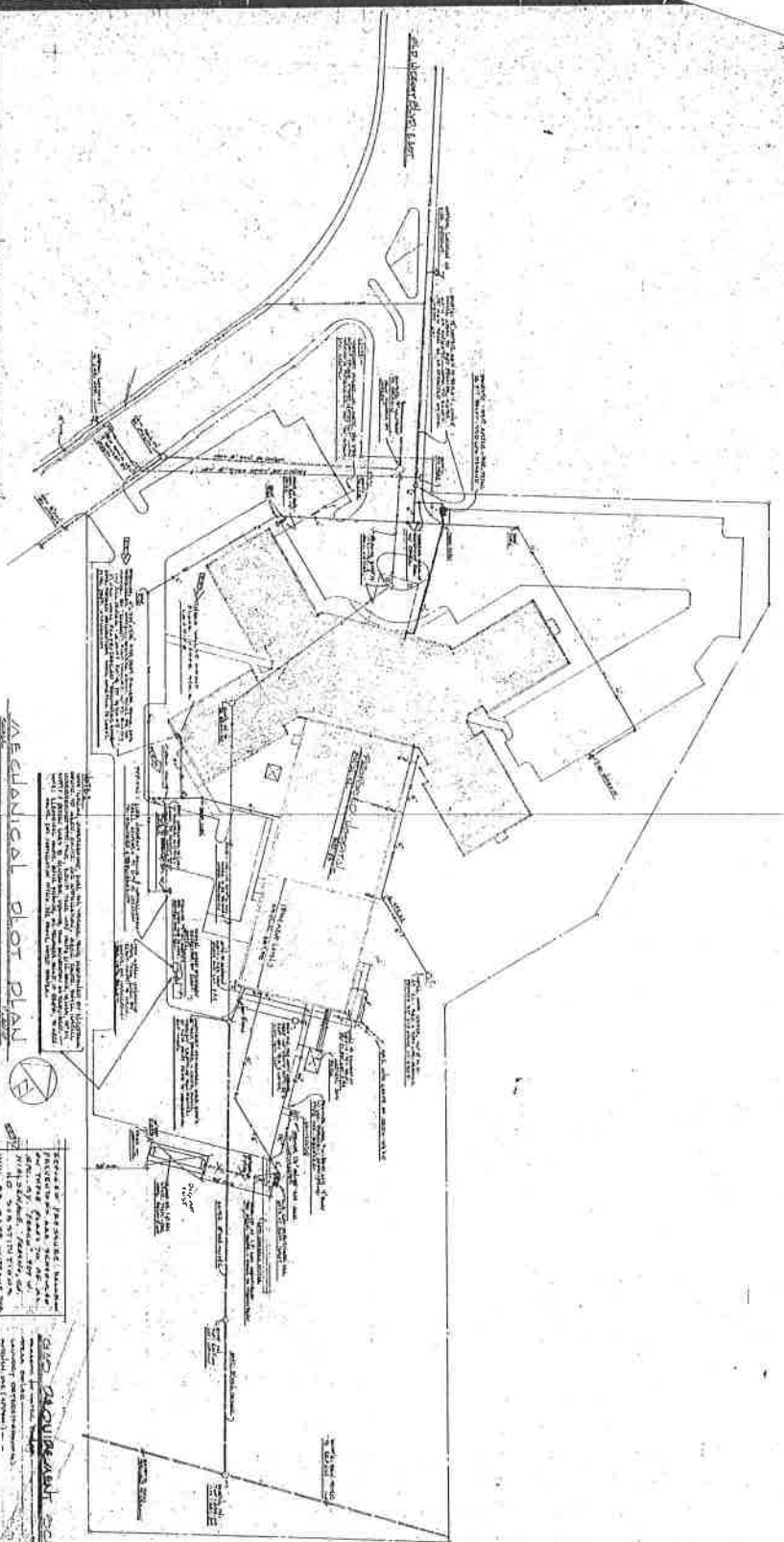
My commission expires: 6-23-09



Attachment E

Land Plot

Section B: Question III



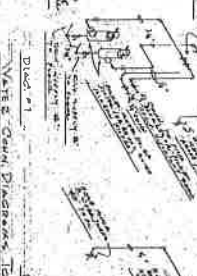
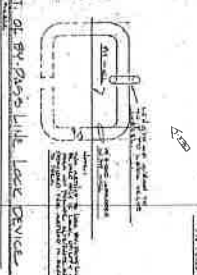
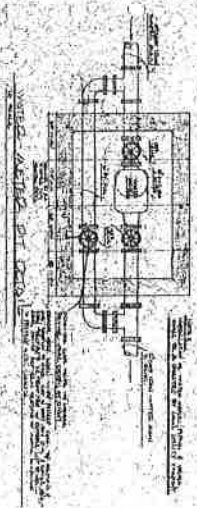
MECHANICAL FLOOR PLAN

MECHANICAL FLOOR PLAN
 This plan shows the location of all mechanical equipment and ductwork for the building. It is to be used in conjunction with the architectural floor plan.

MECHANICAL FLOOR PLAN
 This plan shows the location of all mechanical equipment and ductwork for the building. It is to be used in conjunction with the architectural floor plan.

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MECHANICAL FLOOR PLAN
 This plan shows the location of all mechanical equipment and ductwork for the building. It is to be used in conjunction with the architectural floor plan.

NO.	DESCRIPTION	QUANTITY	UNIT	PRICE	TOTAL
1	MECHANICAL FLOOR PLAN	1	SHEET	100.00	100.00
2	MECHANICAL FLOOR PLAN	1	SHEET	100.00	100.00
3	MECHANICAL FLOOR PLAN	1	SHEET	100.00	100.00
4	MECHANICAL FLOOR PLAN	1	SHEET	100.00	100.00
5	MECHANICAL FLOOR PLAN	1	SHEET	100.00	100.00
6	MECHANICAL FLOOR PLAN	1	SHEET	100.00	100.00
7	MECHANICAL FLOOR PLAN	1	SHEET	100.00	100.00
8	MECHANICAL FLOOR PLAN	1	SHEET	100.00	100.00
9	MECHANICAL FLOOR PLAN	1	SHEET	100.00	100.00
10	MECHANICAL FLOOR PLAN	1	SHEET	100.00	100.00

HOSPITAL
 FOR
 GENERAL CARE CORPORATION

JACKSON
 TENN.

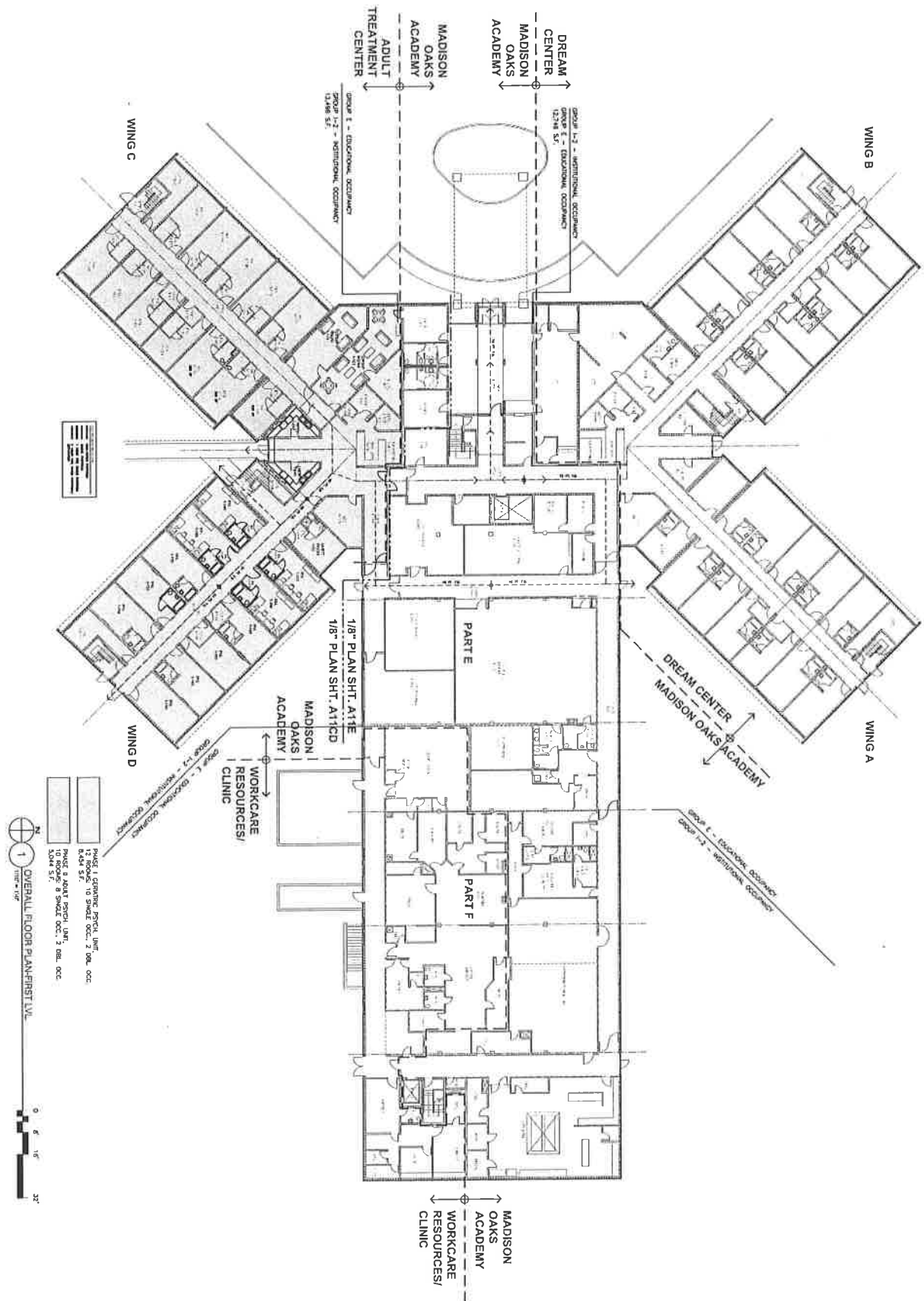


50070
 1-1

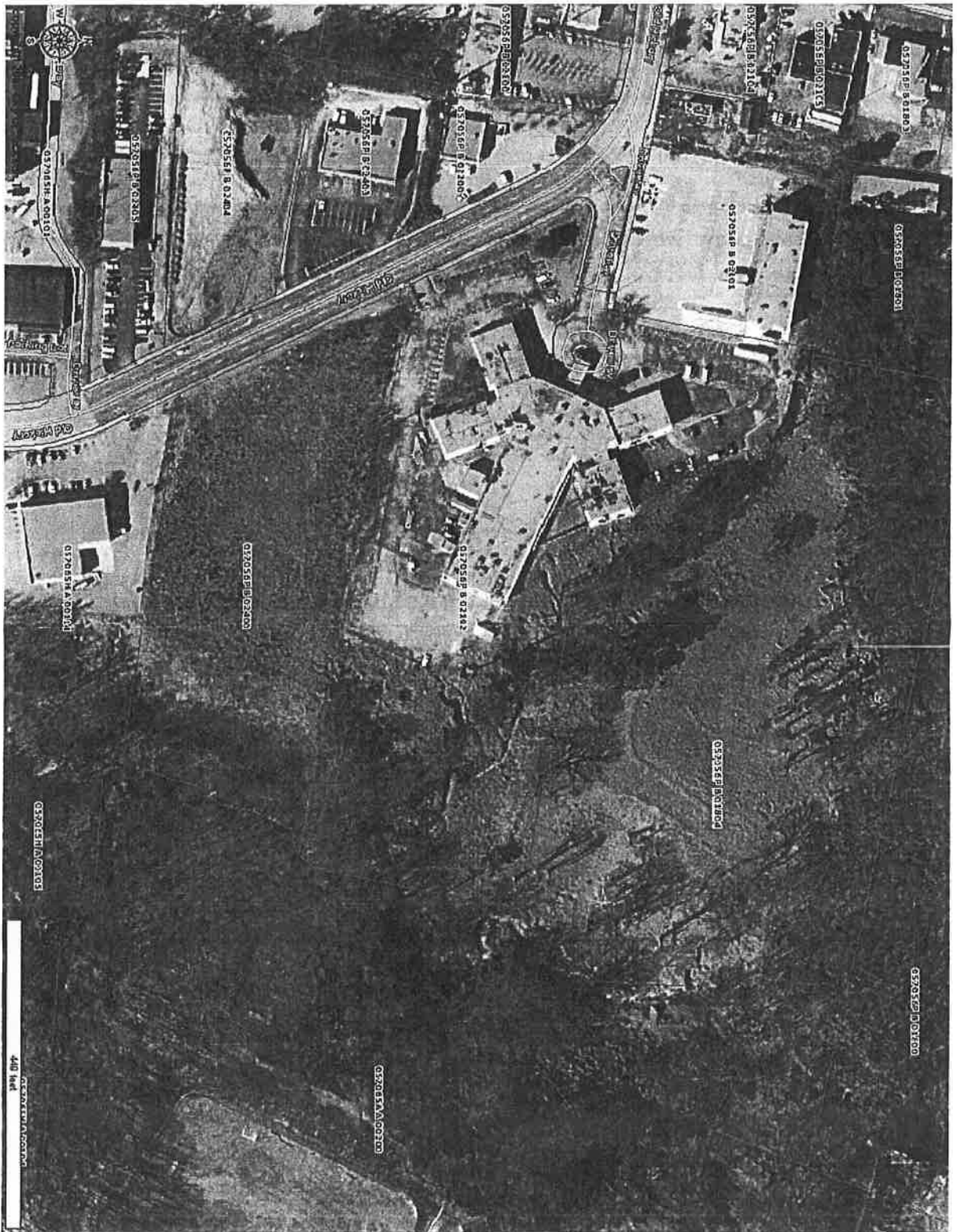
Attachment F

Facility Diagram

Section B: IV



<p>Anderson Buehler Architects 400 Madison Avenue, Suite 200 Jackson, Tennessee 39201 (661) 444-4444</p>		<p>Madison Oaks Treatment Center Ameris Health Systems Residential C+D Wing Renovation</p> <p>49 Old Hickory Blvd. Jackson, TN 38305</p>	<p>20 December 2012 C.O.N. Schematic</p> <p>AREA 1118</p> <p>Overall Floor Plan First Lvl</p> <p>SHEET A1.1</p>
--	--	--	---



037056P B 02103

037056P B 02105

037056P B 02104

037056P B 02101

037056P B 02102

037056P B 02106

037056P B 02107

037056P B 02108

037056P B 02109

037056P B 02110

037056P B 02111

037056P B 02112

037056P B 02113

037056P B 02114

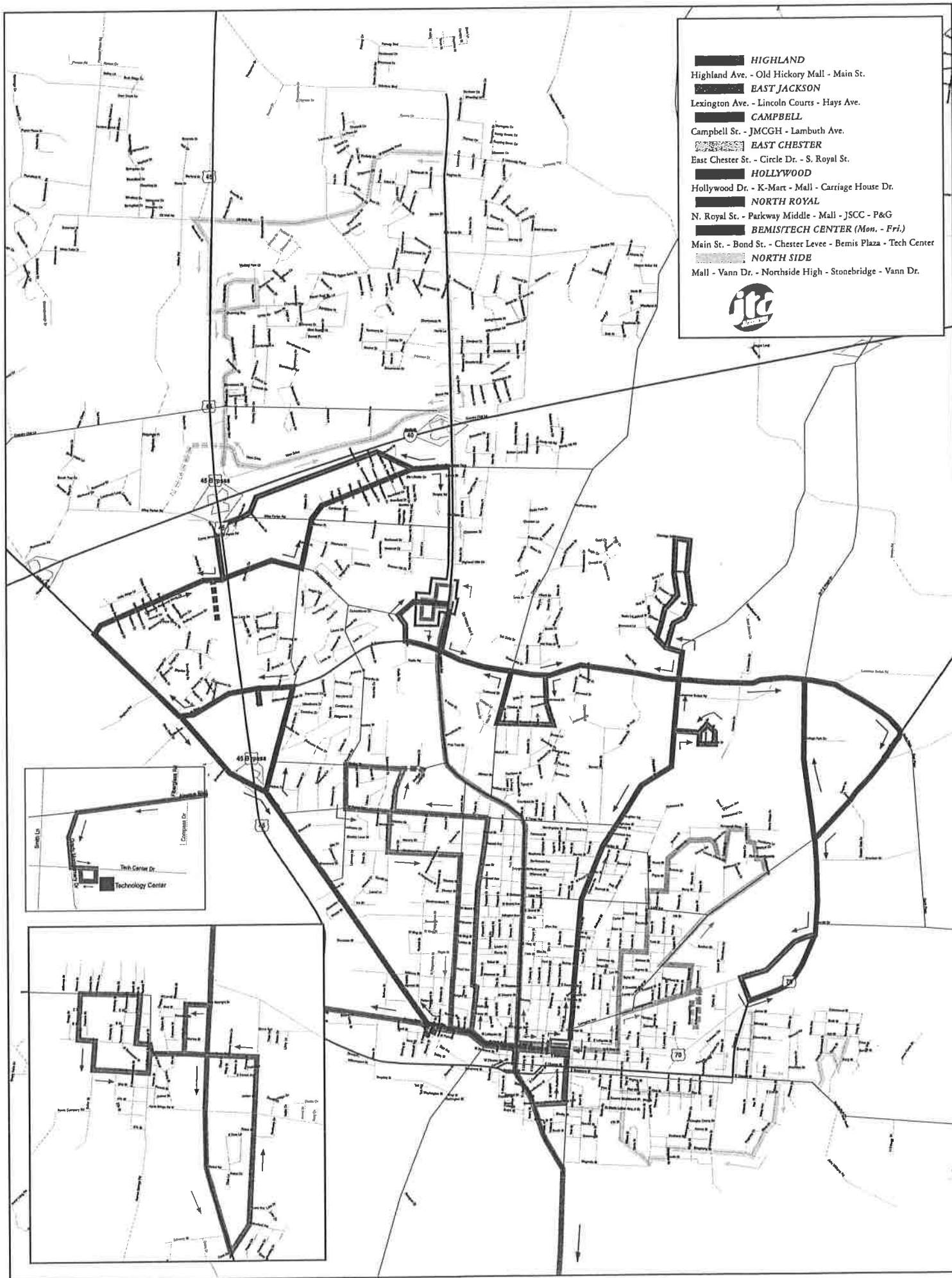
037056P B 02115



Madison Oaks Treatment Center
Jackson, TN
Preliminary Construction Budget
February 8, 2013

Potential Construction Cost Range

	Low Range	High Range
Lobby area (3,400 sf) - Cosmetic Upgrades at \$40 - \$55/sf	\$ 136,000	\$ 187,000
Wing D (5,054 sf) - New bathrooms, PTAC units, and cosmetic upgrades. Construction cost should range between \$95/sf to \$115/sf	\$ 480,130	\$ 581,210
Wing C (5,044 sf) - Add central shower room, PTAC units, cosmetic upgrades. Construction cost should range between \$65/sf to \$90/sf	\$ 328,510	\$ 454,860
Site improvements (Courtyard between wings - Aluminum fence, awning, light landscaping)	\$ 45,000	\$ 75,000
TOTAL Project	\$ 989,640	\$ 1,298,070



HIGHLAND

Highland Ave. - Old Hickory Mall - Main St.

EAST JACKSON

Lexington Ave. - Lincoln Courts - Hays Ave.

CAMPBELL

Campbell St. - JMCGR - Lambuth Ave.

EAST CHESTER

East Chester St. - Circle Dr. - S. Royal St.

HOLLYWOOD

Hollywood Dr. - K-Mart - Mall - Carriage House Dr.

NORTH ROYAL

N. Royal St. - Parkway Middle - Mall - JSCC - P&G

BEMIS/TECH CENTER (Mon. - Fri.)

Main St. - Bond St. - Chester Levee - Bemis Plaza - Tech Center

NORTH SIDE

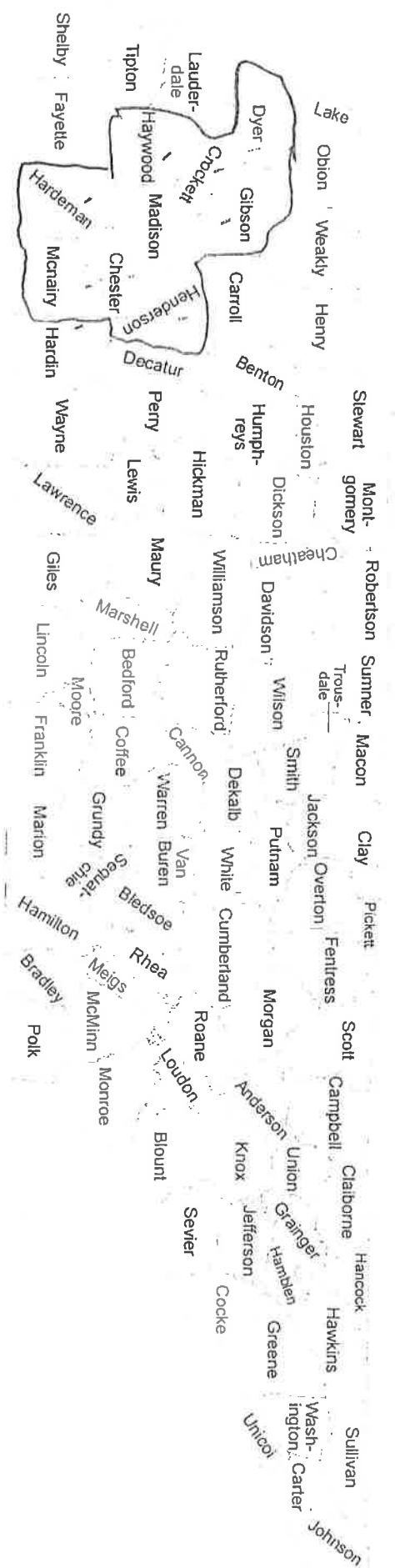
Mall - Vann Dr. - Northside High - Stonebridge - Vann Dr.



Attachment G

Service Area Map

Section C: General Criteria for CON Question: E3



Get Printable Maps From:
Waterproof Paper.com

Attachment H

Section C: Economic Feasibility Question: 1-A

CFO LETTER

H Neil Campbell <ncampbell@woodridgecare.com>
To: John Lewis <sjlewis3@yahoo.com>
Fwd: CON Letter

September 11, 2013 2:13 PM

1 Attachment, 17 KB

Here you go!

Neil

Begin forwarded message:

From: Jan McGaughy <jmcgaughy@woodridgecare.com>
Subject: CON Letter
Date: September 11, 2013 1:48:51 PM CDT
To: Neil Campbell <ncampbell@woodridgecare.com>



September 11, 2013

Health Services and Development Agency
Frost Building, 3rd floor
161 Rosa L Parks Blvd.
Nashville, TN 37243

To Whom It May Concern:

Please accept this letter as verification that Woodridge has the necessary financial resources to cover the implementation of the CON project.

Thank you for your time in considering our CON application.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. Neil Campbell", is written over a horizontal line.

H. Neil Campbell

Attachment



Primary Account Number:

5620230

Statement Period:

06-29-2013 to 07-31-2013

150 3rd Avenue South • Suite 900 • Nashville, TN 37201

Page 1

Bank Statement as of 07-31-2013

*****AUTO**3-DIGIT 371

8173 0.4726 AT 0.384 28 1 23



Woodridge Behavioral Care LLC
162 Cude Lane
Madison TN 37115-2202

Deposits and Investments

Account #	Description	Balance
-----------	-------------	---------

5620230	Zenith MM Business Account	\$1,200,106.36
---------	----------------------------	----------------

Electronic Statements: Increased Convenience and Security
E-Statements give you the convenience of accessing your statements at any time with the added security of password protection. You won't have to worry about the security of your mail or delivery mistakes. Signing up is easy when you login to online banking at www.pnfp.com and go to "User Services."

Zenith Mm Business No. 5620230

Total Number of Checks: 0

Beginning Balance on 06-28-2013	\$1,200,133.48
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Checks/Withdrawals	\$133.48
Ending Balance on 07-31-2013	\$1,200,106.36

Average Balance This Statement	\$1,200,093.03	Annual Percentage Yield Earned	0.10%
Interest Earned This Period	\$106.36	Days in Period	33
Interest Paid Year-to-Date	\$945.90	Interest Paid	\$106.36



Attachment I

Section C: Economic Feasibility Question: 8

Financials

12:02 PM
09/09/13
Accrual Basis

WoodRidge Behavioral Care, LLC
Combined Summary Balance Sheet
As of July 31, 2013

SEP 13 '13 PM2:00

	<u>TOTAL</u>
ASSETS	
Current Assets	
Checking/Savings	1,576,215
Accounts Receivable	1,773,570
Other Current Assets	<u>222,553</u>
Total Current Assets	<u>3,572,337</u>
 Fixed Assets	 10,952,518
Other Assets	<u>8,212,215</u>
TOTAL ASSETS	<u><u>22,737,071</u></u>
 LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	550,582
Other Current Liabilities	<u>1,640,497</u>
Total Current Liabilities	<u>2,191,079</u>
 Long Term Liabilities	 <u>7,315,097</u>
Total Liabilities	<u>9,506,176</u>
 Equity	 <u>13,230,894</u>
TOTAL LIABILITIES & EQUITY	<u><u>22,737,071</u></u>

12:31 PM
09/09/13
Accrual Basis

WoodRidge Behavioral Care, LLC
Combined Profit And Loss
January through July 2013

	<u>TOTAL</u>
Ordinary Income/Expense	
Total Income	<u>13,531,223</u>
Gross Profit	<u>13,531,223</u>
Expense	
Total 7000 . Gross Salaries	7,329,560
Total 7050. Employee Benefits	1,350,685
Total 7100. Professional Fees	492,575
Total 7200. Advertising & Marketing	10,637
Total 7300. Purchase Services	604,483
Total 7380. Recruitment & Relocation	41,371
Total 7400. Food and Supplies	598,873
Total 7500. Travel & Entertainment	167,016
Total 7550. Repair and Maintenance	116,398
Total 7580. Rent/Lease	453,215
Total 7600. Utilities	344,439
Total 7650. Insurance	100,758
Total 7680. Bad Debt Expense	22,924
Total 7700. Property Taxes	41,110
Total 7900. Other Operating Expenses	117,819
Total Expense	<u>11,791,862</u>
Net Ordinary Income	<u>1,739,362</u>
Other Income/Expense	
Total Other Income	<u>1,075</u>
Total Other Expense	<u>662,341</u>
Net Other Income	<u>(661,267)</u>
Net Income	<u><u>1,078,095</u></u>

Attachment J

Section C: Econmic Feasibility Question: 10

Audited Financials

**WOODRIDGE BEHAVIORAL CARE,
LLC AND SUBSIDIARIES**

Consolidated Financial Statements

December 31, 2012

(With Independent Auditors' Report Thereon)



LATTIMORE BLACK MORGAN & CAIN, PC
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Consolidated Balance Sheet	2
Consolidated Statement of Operations	3
Consolidated Statement of Changes in Members' Equity	4
Consolidated Statement of Cash Flows	5
Notes to the Consolidated Financial Statements	6 - 14



INDEPENDENT AUDITORS' REPORT

The Members

Woodridge Behavioral Care, LLC and Subsidiaries:

We have audited the accompanying consolidated financial statements of Woodridge Behavioral Care, LLC and Subsidiaries (collectively the "Company"), which comprise the consolidated balance sheet as of December 31, 2012, and the related consolidated statements of operations, changes in members' equity and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Woodridge Behavioral Care, LLC and Subsidiaries as of December 31, 2012, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Lattimore Black Morgan & Cain, PC

Brentwood, Tennessee
March 22, 2013

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Consolidated Balance Sheet

December 31, 2012

Assets

Current assets:

Cash	\$ 1,291,915
Accounts receivable, less allowance for doubtful accounts of \$137,482	2,158,129
Other receivables	104,871
Prepaid expenses	<u>96,607</u>
Total current assets	3,651,522

Property and equipment, net	10,818,162
Goodwill	7,600,000
Loan costs, net of accumulated amortization of \$34,716	188,128
Other assets	<u>263,868</u>
	<u>\$ 22,521,680</u>

Liabilities and Members' Equity

Current liabilities:

Current installments of long-term debt	\$ 581,676
Accounts payable	452,940
Accrued expenses	<u>1,317,918</u>
Total current liabilities	2,352,534
Long-term debt, excluding current installments	<u>7,654,408</u>
Total liabilities	10,006,942
Members' equity	<u>12,514,738</u>
	<u>\$ 22,521,680</u>

See accompanying notes to the consolidated financial statements.

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Consolidated Statement of Operations

Year ended December 31, 2012

Revenue:

Net patient revenues before provision for doubtful accounts	\$ 21,813,233
Provision for doubtful accounts	<u>(129,157)</u>
Net revenue	<u>21,684,076</u>

Total operating expenses:

Salaries and benefits	14,629,971
Purchased services	816,108
Supplies	282,232
Rent	428,582
Depreciation and amortization	705,871
Travel and entertainment	247,502
Professional services	1,034,588
Repairs and maintenance	293,942
Other expenses	<u>1,675,932</u>

Total operating expenses	<u>20,114,728</u>
--------------------------	-------------------

Income from operations	1,569,348
------------------------	-----------

Interest expense, net	<u>(224,264)</u>
-----------------------	------------------

Net earnings from continuing operations	1,345,084
---	-----------

Loss from discontinued operations	<u>(59,959)</u>
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Net earnings	<u>\$ 1,285,125</u>
--------------	---------------------

See accompanying notes to the consolidated financial statements.

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Consolidated Statement of Changes in Members' Equity

Year ended December 31, 2012

	<u>Member Contributions</u>	<u>Retained Earnings (Deficit)</u>	<u>Total Members' Equity</u>
Balance at December 31, 2011	\$ 11,985,960	\$ (166,520)	\$ 11,819,440
Distributions to members	-	(589,827)	(589,827)
Net income	<u>-</u>	<u>1,285,125</u>	<u>1,285,125</u>
Balance at December 31, 2012	<u>\$ 11,985,960</u>	<u>\$ 528,778</u>	<u>\$ 12,514,738</u>

See accompanying notes to the consolidated financial statements.

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Year ended December 31, 2012

Cash flows from operating activities:	
Net earnings	\$ <u>1,285,125</u>
Adjustments to reconcile net earnings to net cash provided by operating activities:	
Depreciation and amortization	712,796
Provision for doubtful accounts	129,157
Loss on disposal of property and equipment	6,757
(Increase) decrease in operating assets:	
Receivables	(666,047)
Prepaid expenses	243,447
Other assets	(326,766)
Increase (decrease) in operating liabilities:	
Accounts payable	(123,263)
Accrued expenses	<u>190,782</u>
Total adjustments	<u>166,863</u>
Net cash provided by operating activities	<u>1,451,988</u>
Cash flows from investing activities - purchases of property and equipment	<u>(2,773,743)</u>
Cash flows from financing activities:	
Proceeds from long-term debt	3,225,000
Payments of long-term debt	(366,672)
Distributions to members	<u>(589,827)</u>
Net cash provided by financing activities	<u>2,268,501</u>
Increase in cash	946,746
Cash at beginning of year	<u>345,169</u>
Cash at end of year	\$ <u>1,291,915</u>

See accompanying notes to the consolidated financial statements.

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 2012

(1) Nature of operations

Woodridge Behavioral Care, LLC and Subsidiaries (collectively, the "Company" or "Woodridge") was formed on June 24, 2011 to provide comprehensive psychiatric treatment to children and adolescents. The Company currently serves patients in Arkansas, Missouri and Tennessee. The Company's corporate office is located in Madison, Tennessee.

(2) Summary of significant accounting policies

(a) Principles of consolidation

These consolidated financial statements include the accounts of all of the Company's wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

(b) Accounts receivable

The Company receives payment for services rendered from federal and state agencies (including Medicaid or other state programs), private insurance carriers, managed care programs and patients. The Company states patient accounts receivable for services rendered at net realizable amounts. The Company manages receivables by regularly reviewing its accounts and contracts and by providing appropriate allowances for uncollectible amounts. The Company records an allowance for uncollectible accounts on a weighted scale based on days outstanding. As a service to the patients, Woodridge bills third-party payers directly and bills the patients when the patient's liability is determined. Patient accounts receivable are due in full when billed. Delinquent accounts are turned over to a third party collection agency, and any subsequent recoveries are recognized in the period received.

(c) Property and equipment

Property and equipment are stated at cost or the value on the date of contribution. Depreciation and amortization are provided over the assets' estimated useful lives using the straight-line method. Leasehold improvements are amortized over the shorter of their estimated lives or the respective lease term. Buildings and improvements are generally depreciated over thirty years while automobiles and furniture and fixtures are generally depreciated over five years.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation or amortization are removed from the accounts, and the resulting gain or loss is included in operations.

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 2012

(d) Goodwill

The Company reviews goodwill for impairment on an annual basis or more frequently if impairment indicators arise. In the event goodwill is considered to be impaired, a charge to earnings would be recorded during the period in which management makes such impairment assessment.

(e) Loan costs

Loan costs are amortized on a straight-line basis over the term of the related loans.

(f) Investment in joint venture

Other assets include an investment of \$258,333 in a joint venture. The Company accounts for its investment using the equity method. Under the equity method, the investment is initially recorded at cost and is increased or decreased by the Company's share of the net earnings or losses since acquisition. The carrying value is reduced by any distributions received from the joint venture.

(g) Net patient service revenue

Substantially all revenues of the Company are derived from comprehensive psychiatric treatment to residential, inpatient and outpatient patients. It is the Company's policy to recognize revenues as services are provided to patients. In accordance with professional standards, revenues are reported at the estimated net realizable amount from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future period as final settlements are determined.

The Company has also entered into payment agreements with certain commercial insurance carriers and preferred provider organizations. The basis for payment to the Company under these arrangements includes global payment rates, prospectively-determined rates per patient day and discounts from established charges.

(h) Income taxes

The Company is organized as a limited liability company and is taxed as a partnership for federal and state income tax purposes. Under federal and state income tax provisions, the Company is not subject to income taxes on its taxable income. Instead, the Company's income and loss pass through to the members and are taxed at the individual level. Certain subsidiaries in Arkansas, Missouri and Tennessee, however, are subject to various state income taxes. State income taxes are not material to the Company.

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 2012

Under generally accepted accounting principles, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax purposes not meeting the "more likely than not" test, no tax benefit is recorded. The Company has no material uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements.

As of December 31, 2012, the Company has accrued no interest and no penalties related to uncertain tax positions. It is the Company's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Company files U.S. Federal and various state income tax returns. The Company is currently open to audit under that statute of limitations by the Internal Revenue Service and various states for the periods ended December 31, 2011 through 2012.

(i) Advertising costs

Advertising costs are expensed as incurred.

(j) Equity incentive compensation

The Company has a unit option plan, which is described more fully in Note 13. Equity based compensation cost is measured at the grant date based upon the fair value of the award and is recognized as expense on a straight line basis over the requisite service period, which is generally the vesting period.

(k) Realization of long-lived assets

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

(l) Use of estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 2012

(m) Adoption of new accounting pronouncements

In July 2011, the Financial Accounting Standards Board ("FASB") issued accounting standards that require changes in financial statement presentation and enhanced disclosures by health care entities that recognize significant amounts of patient service revenue at the time services are rendered without taking account of patients' ability to pay. These standards require health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, these entities will be required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. These standards are effective for fiscal years ending after December 15, 2012, and therefore the Company adopted these standards at the beginning of 2012.

(n) Fair value measurements

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). The Company does not have any fair value measurements using significant unobservable inputs (Level 3) as of December 31, 2012.

(o) Events occurring after reporting date

The Company has evaluated events and transactions that occurred between December 31, 2012 and March 22, 2013, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements and determined no additional disclosures were necessary.

(3) Credit risk and other concentrations

The Company may maintain cash on deposit at banks in excess of federally insured amounts. The Company has not experienced any losses in such accounts and management believes the Company is not exposed to any significant credit risk related to cash.

The Company grants credit without collateral to its patients, most of whom are individuals that are insured under third-party payor agreements. Substantially all of the Company's revenues and accounts receivable were from participation in Medicaid and other state programs.

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 2012

(4) Investment in joint venture

During 2012, the Company entered into a joint venture with other investors to own and operate a real estate entity. The Company contributed approximately \$258,000 in cash to the joint venture during 2012 for an ownership interest of approximately 33% as of December 31, 2012. The joint venture used the contributions by investors to purchase real estate in Arkansas.

Summary information for the real estate entity as of December 31, 2012 and for the year then ended, is as follows:

Total assets	\$	834,820
Total liabilities	\$	65,417
Net earnings (loss)	\$	(5,597)

On January 30, 2013, the real estate entity obtained debt financing in the amount of \$7,500,000 to construct a facility that will be leased to the Company under an operating lease. The Company guaranteed 100% of the debt. Based on this guarantee, the real estate entity will be consolidated in the Company's consolidated financial statements beginning on January 30, 2013, the date of the guarantee, in accordance with FASB Codification 810, *Variable Interest Entities*. As of January 30, 2013, the date of consolidation, approximate summary financial information for the joint venture is as follows:

Total assets	\$	801,000
Non-controlling interest	\$	534,000

The Company has a receivable of approximately \$63,000 at December 31, 2012 from the joint venture which is included in other receivables within the accompanying consolidated balance sheet. The receivable was paid in full in February 2013.

(5) Property and equipment

A summary of property and equipment as of December 31, 2012 is as follows:

Land	\$	595,000
Buildings and improvements		9,263,814
Leasehold improvements		1,042,316
Transportation equipment		183,421
Furniture and fixtures		435,477
Construction in progress		<u>258,898</u>
		11,778,926
Less accumulated depreciation		<u>960,764</u>
	\$	<u>10,818,162</u>

Construction in progress at December 31, 2012 consists primarily of renovations to one of the facilities. Estimated costs to complete this project amount to approximately \$38,000 at December 31, 2012.

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 2012

(6) Line of credit

The Company has a \$1,500,000 line of credit available with a bank at December 31, 2012. No borrowings were outstanding under the line of credit at December 31, 2012. Borrowings under the line of credit bear interest, payable monthly, at an annual interest rate equal to 30-day LIBOR plus 300 basis points, with a floor of 4.00% (4.00% at December 31, 2012) and matures in September 2013. The line of credit is secured by substantially all assets of the Company and places certain restrictions and limitations upon the Company (see Note 7).

(7) Long-term debt

A summary of long-term debt as of December 31, 2012 is as follows:

Term loan to bank; interest at an annual rate equal to 30-day LIBOR plus 300 basis points, with a floor of 4.00% (4.00% at December 31, 2012); monthly principal payments of \$30,556 plus accrued interest with all unpaid principal and interest due September 2016; secured by substantially all assets of the Company.	\$ 5,011,084
Term loan to bank; interest at an annual rate equal to 30-day LIBOR plus 300 basis points, with a floor of 4.00% (4.00% at December 31, 2012); monthly principal payments of \$17,917 plus accrued interest with all unpaid principal and interest due November 2017; secured by substantially all assets of the Company.	<u>3,225,000</u>
Total long-term debt	8,236,084
Less current installments	<u>581,676</u>
Long-term debt, excluding current installments	<u>\$ 7,654,408</u>

A summary of approximate future maturities of long-term debt as of December 31, 2012, is as follows:

<u>Year</u>	
2013	\$ 581,676
2014	581,676
2015	581,676
2016	4,126,072
2017	<u>2,364,984</u>
	<u>\$ 8,236,084</u>

The provisions of the line of credit (see Note 6) and the long-term debt require the maintenance of certain financial ratios.

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 2012

(8) Employee benefit plan

The Company sponsors a 401(k) plan covering substantially all employees. Company contributions are made at management's discretion. The Company contributed approximately \$66,000 to the plan in 2012.

(9) Income taxes

Deferred income taxes are provided for the temporary differences between the financial reporting basis and tax basis of the Company's assets and liabilities. At December 31, 2012, the Company has approximately \$2,500,000 of Tennessee state net operating losses available to offset future taxable income. The net operating loss carryforwards begin to expire in 2022. Deferred tax assets of approximately \$165,000 at December 31, 2012, which relate to the net operating losses, have not been reflected within the accompanying consolidated balance sheet due to the establishment of a full valuation allowance. The valuation allowance was established to reduce the deferred income tax assets to the amount that will more likely than not be realized. This reduction is provided due to the uncertainty of the Company's ability to utilize the net operating loss carryforwards before they expire.

(10) Lease commitments

The Company utilizes various office space and equipment under operating leases. Rent expense under these leases amounted to approximately \$429,000 in 2012. A summary of approximate future minimum payments under these leases as of December 31, 2012 is as follows:

<u>Year</u>	
2013	\$ 210,000
2014	133,000
2015	<u>1,000</u>
	<u>\$ 344,000</u>

(11) Discontinued operations

Generally accepted accounting principles require that all components of an entity that have been disposed of (by sale, by abandonment or in a distribution to owners) or are held for sale and whose cash flows can be clearly distinguished from the rest of the entity be presented as discontinued operations. On October 31, 2012, the Company closed its South Carolina facility. The results of operations for this facility have been reported as discontinued operations within the accompanying consolidated statement of operations.

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 2012

(12) Contingent liabilities

General liability

The Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on these consolidated financial statements.

Healthcare Industry

The delivery of personal and health care services entails an inherent risk of liability. Participants in the health care services industry have become subject to an increasing number of lawsuits alleging negligence or related legal theories, many of which involve large claims and result in the incurrence of significant exposure and defense costs. The Company and its subsidiaries are insured with respect to medical malpractice risk on a claims-made basis. The Company also maintains insurance for general liability, director and officer liability and property. Certain policies are subject to deductibles. In addition to the insurance coverage provided, the Company indemnifies certain officers and directors for actions taken on behalf of the Company and its subsidiaries. Management is not aware of any claims against the Company or its subsidiaries which would have a material financial impact.

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare fraud and abuse. Recently, government activity has increased with respect to investigations and/or allegations concerning possible violations of fraud and abuse statutes and/or regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient services previously billed. Management believes that the Company is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

Healthcare Reform

In March 2010, Congress adopted comprehensive health care insurance legislation, the Patient Care Protection and Affordable Care Act and the Health Care and Education Reconciliation Act ("collectively, the "Health Care Reform Legislation"). The Health Care Reform Legislation, among other matters, is designed to expand access to health care coverage to substantially all citizens through a combination of public program expansion and private industry health insurance. Provisions of the Health Care Reform Legislation become effective at various dates over the next several years and a number of additional steps are required to implement these requirements. Due to the complexity of the Health Care Reform Legislation, reconciliation and implementation of the legislation continues to be under consideration by lawmakers, and it is not certain as to what changes may be made in the future regarding health care policies. Changes to existing Medicaid coverage and payments are also expected to occur as a result of this legislation. While the full impact of Health Care Reform Legislation is not yet fully known, changes to policies regarding reimbursement, universal health insurance and managed competition may materially impact the Company's operations.

WOODRIDGE BEHAVIORAL CARE, LLC AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 2012

(13) Unit option plan

On August 1, 2011, 72,000 unit options were issued under the Woodridge Behavioral Care LLC 2011 Unit Option Plan (the "Plan") and became fully vested at this date. The Plan is designed to promote the interest and long-term success of the Company by granting non-voting unit options to selected employees. The Plan is administered by the Company and 100,000 non-voting unit options are available to be issued. Under the Plan, the Company has the sole discretion to grant unit options with exercise prices determined at the time of grant but not less than the fair market value of the units at the date of grant. The unit option term and vesting period will be determined at the date of grant. At December 31, 2012, the weighted-average exercise price of the outstanding units was approximately \$2.00. No compensation costs were incurred in 2012 associated with these units as all units were fully vested in 2011.

(14) Supplemental disclosures of cash flow statement information

Interest paid	\$ <u>212,439</u>
---------------	-------------------

Attachment K

Proof of Publication

4099

Public Notices

0101683034

ADVERTISEMENT FOR
BIDS

City of Bradford
City Hall
P.O. Box 87
207 E. Main Street
Bradford, TN 38316

Continued to next column

said office publicly opened
and read aloud.

The information for Bidders, Form of Bid, Form of Contract, Plans, Specifications, and Forms of Bid Bond, Performance and Payment Bond, and other contract documents may be examined at the following:

Continued to next column

the office of King Engineering Consultants, Inc. located at 3355 Poplar Avenue, Suite 200, Memphis, Tennessee upon payment of \$250.00 for each set. Any unsuccessful bidder, upon returning each set promptly and in good condition, will be refunded his payment, and any non-bidder such as

Continued to next column

the conditions provided in the information for Bidders.

All bidders must be licensed General Contractors as required by the Contractor's Licensing Act of 1994 of the General Assembly of the State of Tennessee, and qualified for the type of construction being bid upon.

Continued to next column

the actual date of the opening thereof.

September 10, 2013, The Jackson Sun

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The Jack

WONDERWORD®

By DAVID
OUELLET

HOW TO PLAY: All the words listed below appear in the puzzle — horizontally, vertically, diagonally, even backward. Find them and CIRCLE THEIR LETTERS ONLY. DO NOT CIRCLE THE WORD. The leftover letters spell the Wonderword.

HOT DOGS

Solution: 7 letters

P D S K B P R E C O O K E D S
O R R E M R C H S I L E R C N
P O E A M U O A N G U S E S O
P F E S T A U W L I O R B L I
Y T O T E S G E N A E R W L (N)
S R E O A R U L T A E I I (I) O
E L T G T C V M L H E L (H) R T
E S E L E L E A N A I (T) E G A
D S E B U A O I T H B L N A M
D E R E L O E N C I L A E R O
A A K U H T P N G I V S R L T
B S E O O C U I F R I E D I O
U O L R M L M I N C E D S C F
N N P A B S F N E K C I H C U
S N I K S A U E R K R A U T S

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9/10

Angus, Ballgames, Barbecue, Bread, Broil, Brown, Buns, Cereal, Cheese, Chicken, Chili, Filler, Flour, Foot Long, Fried, Garlic, Grill, Herbs, Lettuce, Lunch, Minced, Mustard, Oatmeal, Onions, Pink, Poppy Seed, Pork, Poultry, Precooked, Preservatives, Protein, Relish, Salsa, Salt, Sauerkraut, Sausage, Season, Skin, Smoked, Steam, Thin, Tofu, Tomato

Yesterday's Answer: Squat

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4099

Public Notices

0101682395

NOTIFICATION OF INTENT TO APPLY FOR A
CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Section 68-11-1601 et seq., and the Rules of the Health Services and Development Agency that Woodridge of West Tennessee, LLC intends to file an application for a Certificate of Need for the following project:

Proposal of a new sixteen (16) bed Geriatric Psychiatric Facility. The Facility will be located at 49 Old Hickory Blvd., Jackson, TN 38305. The cost of construction is estimated to be \$900,000.00 and first year operating costs are expected to be \$1,072,000.00. The facility will be managed by Ameris Acquisitions, LLC.

The anticipated date of filing the application is September 10, 2013.

The contact person for this project is Robert Bauer/CEO who may be reached at Ameris Acquisitions, LLC, 1114 17th Avenue South #205, Nashville, TN 37212 Phone 615-327-4440.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency
The Frost Building, Third Floor
161 Rosa Parks Blvd.
Nashville, TN 37243

Pursuant to T.C.A. Section 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Outta here



Because with Apartments.c
finally scored the perfect one
close to work and close to
Definitely beats the base

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featuring

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Attachment L

Letters of Support



121 EAST MAIN STREET, SUITE 301
P.O. Box 2508
JACKSON, TENNESSEE 38302-2508

TELEPHONE: 731-425-8240
FAX: 731-425-8605
E-MAIL: JGIST@CITYOFJACKSON.NET

City of Jackson

JERRY GIST
MAYOR

August 27, 2013

Ameris Acquisitions, LLC
Attn: John Lewis
1114 17th Avenue South
Suite 205
Nashville, TN 37212

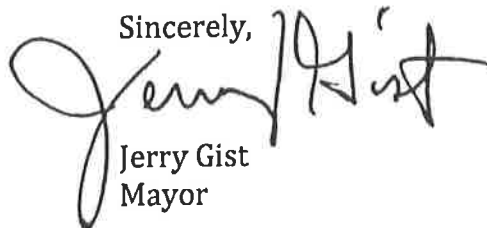
To whom it may concern:

I am writing in support of your application for a certificate of need being presented for a geriatric psychological center for Jackson, Tennessee. The application, being presented by Ameris Acquisitions, LLC, will bring a much needed service to Jackson/Madison County and surrounding region for these services.

Currently, patients and their families are subject to travel long distances (over 50 miles) to admit their family member for these services. Often there are no beds available at these facilities, requiring even further travel or delay in treatment. This creates a hardship for the patient as well as their caregiver.

Having this new center in Jackson will provide timely and convenient access to this vital care for seniors who are experiencing psychological issues. It will also greatly reduce the expense and burden of transport to and from the facility for their caregivers.

Sincerely,



Jerry Gist
Mayor

JG/blm



SOUTHWEST TENNESSEE DEVELOPMENT DISTRICT • 27 CONRAD DRIVE, SUITE 150 • JACKSON, TN 38305
TEL: 731-668-6967 • FAX: 731-668-6438 • www.SWTDD.ORG

June 28, 2013

Ameris Acquisitions, LLC
ATTN: John Lewis
1114 17th Avenue South
Suite 205
Nashville, TN 37212

Dear Sirs:

I am writing on behalf of the Southwest Tennessee Area Agency on Aging & Disability in support of your application being submitted for a Geriatric Psychological Center for Jackson, Tennessee. The application being presented by Ameris Acquisitions, LLC, will bring a much needed service to Jackson/Madison county and the surrounding area. Currently patients and their caregivers are subject to travel a distance of approximately 50 miles to admit their loved ones for services. As a planning and service agency, I have seen the hardship it often places on both the client and the caregiver.

Having this center in Jackson will provide both timely and convenient access to this vital care for our seniors who deal with psychological issues and reduce the expense and burden of transport to and from a facility for caregivers.

Sincerely,

A handwritten signature in black ink, appearing to read "Wanda Simmons", is written over the typed name.

Wanda Simmons, Director
Southwest Area Agency on Aging & Disability
102 E. College Street
Jackson, TN 38301
731 668 6403

Serving CHESTER DECATUR HARDEMAN HARDIN HAYWOOD HENDERSON MADISON MCNAIRY Counties in Southwest Tennessee

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Speech or Hearing Impaired call TN Relay Center – TTY 1-800-848-0298 or Voice 1-800-848-0299



To us, it's personal.

196 Cheyenne Drive
Jackson, TN 38305
Phone 731-984-7062

Ameris Acquisitions, LLC
Attn: John Lewis
1114 17th Avenue South
Suite 205
Nashville, TN 37212

June 26, 2013

Dear Sirs:

As a local senior care business owner, I am writing in support of your application being presented for a Geriatric Psychological Center for Jackson, TN. The application, being presented by Ameris Acquisitions, LLC, will bring a much needed service to Jackson and surrounding region for these services. Currently patients and their families are subject to travel long distances to admit their family member for these services. Often there are no beds available at these facilities, requiring even further travel or delay in treatment. This creates a hardship for the patient as well as their caregiver.

Having this new center in Jackson will provide timely and convenient access to this vital care for seniors who are experiencing psychological issues. It will also greatly reduce the expense and burden of transport to and from the facility for their caregivers. I can attest first-hand to the need we have first this type of service in the Jackson area and would love to see this become a reality. If I can be of further service to you in any way, please call me at 731-984-7062.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryson McQuiston". The signature is fluid and cursive, with a large initial "B".

Bryson McQuiston
Franchise Owner

The following two (2) letters are from Elmcroft Nursing Facility

Ameris Acquisitions, LLC
Attn: John Lewis
1114 17th Avenue South
Suite 205
Nashville, TN 37212

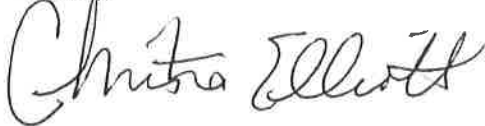
June 30, 2013

Dear Sirs:

I am writing in support of your application being presented for a Geriatric Psychological Center for Jackson TN. The application, being presented by Ameris Acquisitions, LLC, will bring a much needed service to Jackson / Madison county and surrounding region for these services. Currently patients and their families are subject to travel long distances, (over 50 miles), to admit their family member for these services. Often there are no beds available at these facilities, requiring even further travel or delay in treatment. This creates a hardship for the patient as well as their caregiver

Having this new center in Jackson will provide timely and convenient access to this vital care for seniors who are experiencing Psychological issues. It will also greatly reduce the expense and burden of transport to and from the facility for their caregivers.

Sincerely,

A handwritten signature in black ink, appearing to read "Chitra Elliott". The signature is fluid and cursive, with the first name "Chitra" being more prominent than the last name "Elliott".

Title: Business Office Coordinator

Jeff Nelson <jeffleelson@gmail.com>
To: sam lewis <sjlewis3@yahoo.com>
Support letters from Elmcroft

September 10, 2013 3:46 PM

2 Attachments, 1.1 MB

Here you go!

Jeff Nelson
731.803-0823
jeffleelson@gmail.com

Ameris Acquisitions, LLC
Attn: John Lewis
1114 17th Avenue South
Suite 205
Nashville, TN 37212

June 30, 2013

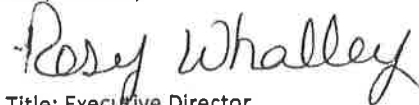
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Having this new center in Jackson will provide timely and convenient access to this vital care for seniors who are experiencing Psychological issues. It will also greatly reduce the expense and burden of transport to and from the facility for their caregivers.

Sincerely,

Rosy Whalley



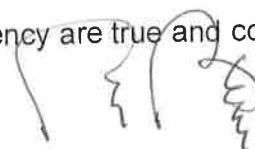
Title: Executive Director

AFFIDAVIT

STATE OF Tennessee

COUNTY OF Davidson

Robert Bauer being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.



SIGNATURE/TITLE

Sworn to and subscribed before me this 11 day of September, 2013 a Notary
(Month) (Year)

Public in and for the County/State of Davidson


NOTARY PUBLIC

My commission expires May 5, 2015
(Month/Day) (Year)

